Foresight VCT 5

(formerly Acuity Growth VCT plc)

Unaudited Half-Yearly Financial Report

for the six month period ended 31 March 2011

Foresight 5 VCT (formerly Acuity Growth VCT plc)

Objective

Ordinary Shares and C Shares
In accordance with the Prospectus dated 6 October 2004, the Company's objective is to achieve capital gains and maximise UK tax-free income to its shareholders from dividends and capital distributions. It is intended that this objective will be achieved by investing the majority of the Company's funds in a portfolio of Qualifying investments.

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 31 March 2011 was 19.5p compared to 59.1p as at 30 September 2010.
- Net asset value per C Share as at 31 March 2011 was 70.8p compared to 85.2p as at 30 September 2010.
- Six follow-on investments were made from the Ordinary Shares fund totalling £3,125,000. These were The Fin Machine Company (£1,250,000); Loseley Dairy Ice Cream (£950,000); Red Reef Media (£350,000); Munro Global (£300,000); Future Noise (£150,000) and Brand Acquisitions (£125,000).
- One realisation was made from the Ordinary Shares fund: £4,340,000 for Amber Taverns.
- A change of Investment Manager occurred on 24 February 2011 from Acuity Capital Management Limited to Foresight Group CI Limited.
- There were no investments or disposals from the C Shares fund.

Contents

Chairman's Statement

Dear Shareholder

Your Company has experienced significant changes since 31 January 2011, the date when the audited accounts for the financial year ended 30 September 2010 were published. I consider it important as your new Chairman to highlight these changes and so this Half-Yearly Financial Report is much longer than usual, incorporating the following statement from myself and also a detailed report from your Company's new investment manager, Foresight Group ('Foresight').

On 8 March 2011, Acuity Growth's name was changed to Foresight 5 VCT plc, a change of name being required under the terms of the termination agreement with the former investment manager, Acuity Capital Management.

Reduction in Net Asset Value, Change of Manager and Portfolio Review

Immediately prior to the Annual General Meeting on 10 March, an RNS announcement was released to the Stock Exchange highlighting my statement at that meeting that the Company's net asset value was expected to be substantially lower than previously reported, following Foresight's initial review of the investment portfolio and the Company's financial position. I regret to have to inform you that, for the reasons explained more fully below, the net asset value of the Ordinary Shares has fallen by 67% from £32.1m (59.1p per Ordinary Share) as at 30 September 2010 to £10.6m (19.5p per Ordinary Share) as at 31 March 2011. The net asset value of the C Shares has fallen by 17% from £0.7m (85.2p per C Share) as at 30 September 2010 to £0.6m (70.8p per C Share) as at 31 March 2011.

These particularly disappointing results reflect the poor performance of the former investment manager. Although providing no consolation for shareholders, this outcome clearly vindicates the Board's decision in late 2010 when the net asset value fell significantly to replace the former investment manager, Acuity Capital Management, through a competitive selection process which culminated in the appointment of a new investment manager, Foresight, on 24 February 2011.

As explained more fully in their report below, Foresight found that your Company had been left with insufficient funds to meet the urgent and substantial funding requirements of several investee companies. This was despite £4.3m being received in November 2010 from the successful sale of the investment in Amber Taverns. In the period from 30 September 2010 to 24 February 2011, prior to Foresight's appointment as investment manager, a further £3.1m was invested to support existing portfolio companies, the largest of these being Fin Machine Company (£1.25m) and Loseley Dairy (£0.95m). Based on Foresight's overall assessment of the cash positions of Foresight 5, and its sister VCT, Acuity 3 VCT plc and, inter alia, the cash requirements, prospects, risks, potential returns and exit timing for each investee company, it was decided to no longer meet requests for further funding from Loseley Dairy, Munro Global, Brand Acquisitions and Future Noise. The first three of these companies have subsequently appointed administrators or are being liquidated and the investments in all four companies have been written down to nil.

A combination of the continued disappointing performance of the portfolio, poor investment strategy and management by the previous investment manager and the use of different valuation methodologies in light of currently available information has ultimately resulted in the fall in net asset value. Reductions were unfortunately necessary in the valuations of all unquoted investee companies. Of the overall reduction of £21.6m, 33% related to write-offs following decisions by Foresight not to continue supporting the loss making businesses described above and 67% resulted from applying different valuation methodologies in light of currently available information. Major reductions in valuations from those as at 30 September 2010 have occurred in the following investments: Loseley Dairy (£2.0m); Brand Acquisitions (£2.3m); Future Noise (£0.4m); and Munro Global (£0.9m), all of which have been written down to nil. Further related reductions totalling £2.7m have had to be made against irrecoverable accrued interest of which £0.7m was in respect of Fin Machine and £0.9m was in respect of Defaqto. A reduction of £3.4m has been made against the investment in Fin Machine which experienced continuing liquidity problems. These have been addressed by additional investment and further strengthening of the management team through new appointments and changes instigated by Foresight. Other substantial reductions in valuations were made against the investments in Defaqto (£2.0m), Red Reef Media (£1.2m), Factory Media (£1.2m), Financial News Publishing (£1.5m) and Connect2 Media (£1.6m) reflecting changes in valuation methodologies in light of currently available information. Foresight has reviewed the strategy for each investee company with the Board and further details on the investment portfolio are contained within the Investment Manager's Report.

Corporate Strategy

Working in conjunction with Foresight, the Board has agreed a strategy for the Company. As explained in more detail in the Investment Manager's Report, the strategy for Foresight 5 is two-fold: (i) to raise up to approximately £760,000 through a pre-emptive offer of Ordinary Shares of ten per cent of the issued share capital to existing shareholders (other than overseas shareholders) at a discount to the 31 March 2011 net asset value per Ordinary Share to contribute to the likely cash requirements of the existing investee companies and (ii) to raise funds later in the year through a public offer pursuant to a prospectus for further expansion and diversification of the portfolio.

The pre-emptive shareholder offer will enable any shares not applied for by shareholders under pre-emptive entitlements to be applied for by other shareholders. The pre-emptive shareholder offer requires the approval of

Chairman's Statement continued

shareholders of allotment authorities and a circular to shareholders convening a general meeting to obtain these authorities will be posted shortly. Similar authorities will be required for the public offer and approval of shareholders will also be sought for these at the general meeting.

The Board is currently reviewing its other strategic options which will include evaluating potential merger options for the Company.

Until the performance of the portfolio can be improved, there is no realistic prospect of either dividends being paid or share buy backs being implemented for the foreseeable future.

The Directors have agreed that, during 2011, their earned emoluments (net of tax) will be invested in shares rather than paid in cash, thereby completely aligning their interests with those of shareholders during this difficult time.

Review of Termination Fee to Former Investment Manager

Following the Annual General Meeting on 10 March and in response to shareholders' requests, the Board took further legal advice on whether there were any grounds on which the termination agreement with the former investment manager could be rescinded. This legal review has since confirmed that there are no grounds for any such action. The payment of a termination fee was necessary in order to change the investment manager. As the Board had negotiated that Foresight would forego any management fees for the first 18 months, the Board wish to emphasise that the Company will only be paying one set (not two) of arrangement fees during this period.

Outlook

As requested by your Board, Foresight has now completed their review of the Company and each of the investments in the portfolio. Although the conclusions make particularly uncomfortable reading, the Board believes that your Company is now well managed and that a strategy has been established to take your Company forward. Foresight has highlighted to the Board that the reduction in net asset value has been compounded in the case of a number of portfolio companies by the impact of shareholder and other debt within the capital structure of these investee companies. This has led to a disproportionately large fall in the value of certain of Foresight 5's investments when compared with the fall in the overall value of these companies. The impact of shareholder and other debt also has the potential to compound value increases if the trading and prospects of the portfolio companies improve and bank debt is repaid. Foresight believe that the investment portfolio includes a number of companies which have potential over time to create value for shareholders significantly in excess of their present valuations and that, with additional funds to make new investments, your Company's net asset value should increase over time.

David Sebire
Chairman
1 June 2011

Investment Manager's Report

Introduction

This is Foresight Group's ('Foresight') first report since being appointed as the new investment manager of Acuity Growth VCT Plc (renamed Foresight 5 VCT Plc ('Foresight 5' or the 'Company')) on 24 February 2011. Foresight was also appointed as the new investment manager of Foresight 5's closely related sister VCT, Acuity VCT 3 Plc ('Acuity 3'), on 1 April 2011. In both cases Foresight replaced the former investment manager, Acuity Capital Management Ltd ('Acuity'). Foresight Fund Managers Ltd has similarly replaced Acuity as Company Secretary of both VCTs with effect from these dates. This Investment Manager's Report is rather more extensive than normal, as there is much to cover.

The investment portfolio is reviewed by individual investment in detail below. At 31 March 2011, the Foresight 5 portfolio principally comprised eleven unquoted investments, substantially all the value of the portfolio. The portfolios of Foresight 5 and Acuity 3 largely overlap.

Reduction in Net Asset Value

In summary, but as explained in more detail below, at the time of Foresight's appointment, Foresight 5 was left with insufficient funds to support the continuing funding requirements of the existing portfolio while the quality of various investments was appreciably poorer than expected. Combined with the use of different valuation methodologies in light of currently available information, this has resulted in a substantial reduction in the net asset value.

The net asset value of the Ordinary Shares has fallen by 67% from £32.1m (59.1p per Ordinary Share) as at 30 September 2010 to £10.6m (19.5p per Ordinary Share) as at 31 March 2011. The net asset value of the C Shares has fallen by 17% from £0.7m (85.2p per C Share) as at 30 September 2010 to £0.6m (70.8p per C Share as at 31 March 2011.

Pre-Emptive Shareholder Offer

In the light of the limited cash resources, the Board proposes to raise up to approximately £760,000 through a pre-emptive offer of Ordinary Shares of ten per cent of the issued share capital to existing shareholders (other than overseas shareholders) at a discount to the 31 March 2011 net asset value per Ordinary Share to contribute to the likely cash requirements of the existing investee companies. The offer will enable any shares not applied for by shareholders under pre-emptive entitlements to be applied for by other shareholders. The pre-emptive offer requires the approval of shareholders of allotment authorities and a circular to shareholders convening a general meeting to obtain these authorities will be posted shortly.

Income tax relief at the rate of 30% of the amount subscribed, tax-free dividends and tax-free capital growth (subject to the investment limits for VCTs and holding shares for the minimum qualifying holding period) should be available to qualifying investors subscribing to new Ordinary Shares.

Corporate Strategy

The above pre-emptive issue is expected to provide Foresight 5 with sufficient funds to contribute to the likely funding requirements of the existing portfolio. However, the Company will still have insufficient funds to make any new investments and is likely to remain small, with a highly concentrated portfolio comprising only a few investments and with only limited prospects of paying any significant or regular dividends for some time.

To raise further funds for expansion and diversification of the resultant portfolio, Foresight has proposed to the Board that a public offer pursuant to a prospectus is made to existing shareholders and the public later in the year.

The Board is currently reviewing its other strategic options which will include evaluating potential merger options for the Company.

Investment Manager's Report continued

Recent Background

(i) Selection of Foresight as Investment Manager

In preparation for and as part of a selection process for a new investment manager instituted by the Boards of both Foresight 5 and Acuity 3 in late 2010, Foresight carried out a detailed review of the two VCTs and also of each individual investment in the portfolio, using information solely from public sources. This review highlighted a number of potential issues within the VCTs and certain investee companies.

Foresight was formally appointed as investment manager of Acuity Growth on 24 February and of Acuity 3 on 1 April 2011.

(ii) Assessment of Foresight 5 and Investee Companies

As planned, and in order to report fully to the Foresight 5 Board and shareholders at its Annual General Meeting on 10 March 2010, the Foresight team rapidly embarked on a heavy programme of information and data gathering, meetings and assessments of each investee company, covering, inter alia, management, markets, business model and performance, cash requirements as well as exit potential and timing. Subsequently, detailed research was then carried out to arrive at appropriate valuations for all eleven unquoted investments. Reductions have unfortunately been necessary in the valuations of all unquoted investees, in part due to the additional information gathered by Foresight. In most cases these reductions are substantial, particularly Loseley Dairy, Brand Acquisitions, Future Noise and Munro Global, all of which have been written down to nil, as well as Fin Machine, Defaqto and Red Reef Media. Further details are set out in the portfolio review below.

(iii) Cash Position

At 31 March 2011, Foresight 5 had cash and relatively realisable listed investments of only around £1.0m, appreciably less cash than was required to meet its likely commitments and expenses (most notably the termination payments due to the former investment manager) and certainly insufficient to meet its share of the urgent funding requirements of five portfolio companies, representing a major part of the portfolio by value. These urgent requirements totalled £2.5m, of which half was required from Foresight 5 and half from Acuity 3. These five investee companies also had other foreseeable funding requirements totalling £2.8m, giving an overall total of £5.3m (again of which half was required from Foresight 5 and half from Acuity 3).

Foresight had expected Foresight 5 to have more cash resources available to it as £4.3m of cash had been realised by Foresight 5 from the successful sale of the investment in Amber Taverns in November 2010, reflecting an exit multiple of 2.9 times. In the five months from October 2010 to February 2011, nearly all these funds had been invested as follow on investments in six investee companies. Five of these were the same five referred to above (and below) that still left £5.3m of funding requirements which could not realistically be met.

As a consequence, neither of the two VCTs could provide further funds to some, or possibly all, of these five investee companies and, if they did so, would have little or no cash to pay their operating expenses. Based on Foresight's overall assessment of *inter alia* cash requirements, prospects, risks, potential returns and exit timing for each investee company, it was decided to no longer meet requests for further funding from Loseley Dairy, Munro Global and Future Noise, which were all significantly loss making and presented very challenging investment cases. In early March, shortly following Foresight's appointment as investment manager of Foresight 5, £75,000 was invested into Brand Acquisitions from Foresight 5 (alongside £75,000 from Acuity 3), to fund working capital while the company's situation was fully assessed. Having now reviewed the company's position in detail, Foresight has decided to no longer support the company with further investment.

These decisions thereby cast doubt on the continuing viability of some of these companies and on their current valuations. During April and May 2011 following extensive consideration of the strategic options for each business, Munro Global, Loseley Dairy and Brand Acquisitions appointed administrators/liquidators. The outlook for Future Noise is challenging.

The decision was made to provide urgent but limited funds to support the turnaround of Fin Machine by investing £250,000 by way of loan stock from each VCT on 8 April 2011.

The remaining six unquoted investee companies, mainly in the media sector, had no immediate cash requirements and some are trading well. However, in most cases, their valuations have been reduced materially as a result of applying different valuation methodologies in light of currently available information. This has led to a disproportionately large fall in Foresight 5's investment value when compared with the fall in the overall value of certain companies. In a number of cases these reductions have been compounded by the impact of significant levels of shareholder and other debt within the capital structures of the investee companies. As part of their assessment process, Foresight reviewed whether or not any of the investments in these companies could be realised quickly but concluded that this was impractical immediately at anything other than 'fire sale' prices.

(iv) Valuations of Investee Companies

Foresight's detailed assessments and proposed valuations of all investments as at 31 March 2011, including the listed shareholdings and eleven unquoted investee companies, have been discussed and agreed with the Board and also discussed with (but not formally reviewed by) the auditors. The Boards of Foresight 5 and Acuity 3 have agreed a consistent valuation approach and methodology with respect to each investee company held in both VCTs. These valuations are summarised in the table below, and are compared with the last published valuations as at 30 September 2010, prepared by the former investment manager.

Investment Manager's Report continued

FORESIGHT 5 INVESTMENT SUMMARY

	31 March 2011					30 September 2010	
ORDINARY SHARES FUND Investment	Amount Invested £	Valuation £	Additions/ (Disposals) since 30 September 2010* £	Valuation Movement since 30 September 2010* £	Valuation Methodology	Amount Invested £	Valuation £
Defaqto Group Limited	3,852,125	3,212,545	—	(1,958,790)	Earnings multiple	3,852,125	5,171,335
Factory Media Limited	1,924,999	2,506,680	—	(1,156,638)	Earnings multiple	1,924,999	3,663,318
Hallmarq Systems Limited	1,177,000	1,168,160	—	(91,681)	Earnings multiple	1,177,000	1,259,841
Connect2 Media Limited	2,402,693	1,064,584	—	(1,465,402)	Earnings multiple	2,402,693	2,529,986
The Fin Machine Company Limited	7,006,296	820,400	1,250,000	(3,415,454)	Earnings multiple	5,756,296	2,985,854
Financial News Publishing Limited	1,374,250	545,896	—	(1,477,925)	Revenue multiple	1,374,250	2,023,821
Keycom Plc	627,000	285,853	—	(47,642)	Bid price	627,000	333,495
Jelf Group Plc	250,222	142,205	—	31,273	Bid price	250,222	110,932
Zamano Plc	750,000	124,687	—	(15,938)	Bid price	750,000	140,625
Red Reef Media Limited	1,777,242	61,362	350,000	(1,523,223)	Earnings multiple	1,427,242	1,234,585
Managed Support Services Plc	887,584	55,293	—	(82,273)	Bid price	887,584	137,566
Connexion Media Limited	25,570	24,832	—	(14,235)	Bid price	25,570	39,067
1st Dental Laboratories Plc	81,250	—	—	—	Bid price	81,250	—
Sport Media Group Plc	516,166	—	—	(15,000)	Discounted bid price	516,166	15,000
Future Noise Limited	1,342,205	—	150,000	(556,555)	Nil value	1,192,205	406,555
Munro Global Limited	1,915,000	—	300,000	(1,183,292)	Nil value	1,615,000	883,292
Brand Acquisitions Limited	2,914,000	—	125,000	(2,378,234)	Nil value	2,789,000	2,253,234
Loseley Dairy Ice Cream Limited	4,858,831	—	950,000	(2,942,036)	Nil value	3,908,831	1,992,036
Amber Taverns Limited**	—	—	(3,261,433)	(956,172)	Sold	3,261,433	4,217,605
	33,682,433	**10,012,497**	**(136,433)**	**(19,249,217)**		**33,818,866**	**29,398,147**
Net current assets less liabilities		611,812					2,740,253
Net assets		**10,624,309**					**32,138,400**
Number of shares in issue		54,394,938					54,394,938
Net asset value per share		**19.5p**					**59.1p**

	31 March 2011					30 September 2010	
C SHARES FUND Investment	Amount Invested £	Valuation £	Additions/ (Disposals) since 30 September 2010* £	Valuation Movement since 30 September 2010* £	Valuation Methodology	Amount Invested £	Valuation £
Electra Private Equity Plc	96,800	133,040	—	23,600	Bid price	96,800	109,440
Connect2 Media Limited	200,000	88,600	—	(131,344)	Earnings multiple	200,000	219,944
	296,800	**221,640**	**—**	**(107,744)**		**296,800**	**329,384**
Net current assets less liabilities		329,100					333,509
Net assets		**550,740**					**662,893**
Number of shares in issue		777,589					777,589
Net asset value per share		**70.8p**					**85.2p**

CONSOLIDATED	31 March 2011 Valuation £	30 September 2010 Valuation £
Ordinary Shares fund	10,624,309	32,138,400
C Shares fund	550,740	662,893
Total	11,175,049	32,801,293

Note:

* Gross of additions/(disposals).

** Amber Taverns was sold in November 2010 realising cash proceeds of £4.3m.

These tables show the new valuations of the unquoted investments are lower in all cases and, in most cases, appreciably lower than the valuations shown in the audited accounts as at 30 September 2010. Of the £21.6m reduction, in net asset value, 33% was because of write-offs following decisions by Foresight not to continue to support certain loss making businesses and 67% resulted from applying more appropriate valuation methodologies. While reviewing and assessing each investee company, new information came to light on several of the companies which had a material adverse bearing on their valuations.

Other information relating to the period after 30 September 2010 is now reflected in the valuations as at 31 March 2011. An announcement was made at the Foresight 5 AGM on 10 March 2011 that its net assets would be substantially lower than the last published figures.

The net asset value of the Ordinary Shares has fallen by 67% from £32.1m (59.1p per Ordinary Share) as at 30 September 2010 to £10.6m (19.5p per Ordinary Share) as at 31 March 2011. The net asset value of the C Shares has fallen by 17% from £0.7m (85.2p per C Share) as at 30 September 2010 to £0.6m (70.8p per C Share) as at 31 March 2011.

A combination of the continued disappointing performance of the portfolio, poor investment strategy and management by the previous investment manager, and the use of different valuation methodologies in light of currently available information has ultimately resulted in the above fall in net asset value. Major reductions in valuations from those as at 30 September 2010 have occurred in the following investments: Loseley Dairy (£2.0m); Brand Acquisitions (£2.3m); Future Noise (£0.4m) and Munro Global (£0.9m), all of which have been written down to nil. Further related reductions totalling £2.7m have had to be made against irrecoverable accrued interest, of which £0.9m was in respect of Defaqto and £0.7m was in respect of Fin Machine. A reduction of £2.2m has been made against the investment in Fin Machine which experienced continuing liquidity problems. These have been addressed by additional investment and further strengthening of the management team through new appointments and changes instigated by Foresight. Other major reductions in valuations have been made against the investments in Defaqto, Connect2 Media, Factory Media, Financial News Publishing and Red Reef Media, reflecting changes in valuation methodologies in light of currently available information. Further details on the investment portfolio are set out later in this report.

Recent Developments

On 19 April 2011, the principal trading subsidiary of Munro Global was sold to SPA Future Thinking, a market research firm, for a nominal sum. Munro Global is subsequently being liquidated. The sale followed an intensive review of the strategic options for this loss making business.

In addition, during April and May, administrators were appointed to Loseley Dairy and Brand Acquisitions. In both cases, the appointment of administrators followed a detailed assessment of the strategic options and several failed attempts to sell these companies.

On 24 May 2011 Electra Private Equity Plc published their Half-Yearly Financial Report. Following this announcement the Company's holding in Electra Private Equity Plc was sold realising £137,145 for Foresight 5, an uplift of 3.1% on the valuation as at 31 March 2011.

Future Investment Strategy

With funds from a successful pre-emptive shareholder offer, Foresight believes that the Company should have sufficient funds to contribute to the likely cash requirements of the existing investee companies. However, it will still be small, with a highly concentrated portfolio comprising only a few investments. With funds from the public offer later in the year, Foresight believes that the Company will be in a good position to invest in new opportunities generated from Foresight's strong deal flow and so diversify its portfolio over time. These will include growth capital opportunities, Management Buy Outs (MBOs) and Management Buy Ins (MBIs) in a range of different sectors. Foresight recognises that shareholders want to receive dividends and endeavours to pay where possible regular, recurring dividends to shareholders in all its VCTs. Foresight will endeavour to pay dividends as soon as practicable but given the current state of the portfolio that is unlikely for the foreseeable future.

Foresight believes that the investment portfolio includes a number of companies which have the potential over time to create value for shareholders significantly in excess of their present valuations, and that with additional funds to make new investments, Foresight believes that net asset values should increase over time.

Portfolio Review

On 31 March, the Foresight 5 portfolio comprised two categories of investments, namely seven listed shareholdings and eleven unquoted investments. There is significant overlap between the holdings of Foresight 5 and its sister VCT, Acuity 3.

Listed Shareholdings

The total valuation of the seven listed investments as at 31 March 2011 was £765,911 a reduction of £120,214 compared to the valuation of £886,125 as at 30 September 2010. Of the listed investments, the largest holdings are in Keycom (£285,853), Jelf Group (£142,205), Zamano (£124,687) and Electra Private Equity (£133,040). The holding in Electra Private Equity Plc was sold in May 2011 realising £137,145, representing an uplift of 3.1% on the valuation on 31 March 2011. A number of the other holdings are relatively illiquid.

Before Foresight was able to set up trading accounts with stockbrokers in order to be in a position to trade the listed shareholdings, on 1 April Sports Media Group's shares were suspended from trading and the Company was placed into administration resulting in a total write off of £9,240 post 31 March 2011.

Investment Manager's Report continued

Unquoted investments

BRAND ACQUISITIONS

Brand Acquisitions wholly owned the Peter Werth and Pink Soda clothing brands. Peter Werth was the company's core brand, generating 94% of sales, and provided a full range of casual wear to the men's market, primarily aimed at 25-35 year olds. Pink Soda designed fashion items for the women's market.

Both brands designed two ranges a year, Spring/Summer and Autumn/Winter, and the manufacture of the designs was out-sourced to 15 suppliers worldwide. Finished products were shipped to England to the company's warehouse in Enfield and then distributed to over 400 retailers across the UK, Ireland, Switzerland and Germany. Products were also distributed to 35 concessions in House of Fraser stores and the company's sole retail outlet in the Liverpool Met Centre. The company undertook all sales and marketing activity in-house.

In addition to selling 'Full Price' ranges to retailers, the company sold an 'Off Price' range to large UK discount retailers TK Maxx and M&M Direct. In the last financial year the 'Full Price' range accounted for 75% of sales at a 48% gross margin and 'Off Price' sales accounted for 25% of sales at a 19% gross margin.

Sales for the current financial year ending 31 January 2012 were behind forecast and the Company requested further funding from Foresight 5 and Acuity 3. Having reviewed the investment case, Foresight decided to no longer support the company with further investment. Brand Acquisitions went into administration in May 2011.

Financial summary (£000's)

Year ended	**31 January 2011**
Turnover	10,834
Gross profit	4,387
EBITDA	(1,252)
EBIT	(1,501)
Net assets/(liabilities)	(423)

Investment summary (£000's)

	Foresight 5	Acuity 3	Total
% of fully diluted equity	**32%**	16%	48%
Investment since 30/09/10*	**125**	125	250
Total investment cost	**2,914**	2,025	4,939
Valuation at 30/09/10	**2,253**	1,621	3,874
Valuation at 31/03/11	**—**	—	—

Note:
* Includes Foresight approved £75,000 investment from Foresight 5 VCT on 03/03/11, immediately following transfer of investment management contract to fund working capital while the situation was fully assessed.

CONNECT2 MEDIA

Connect2 Holdings, which trades as Connect2 Media, is a developer, publisher and distributor of digital media entertainment on a range of devices including mobile phones, portable games consoles, Blackberrys, Android, Windows Mobile, iPhones, PCs and interactive TVs. The Company is headquartered in Manchester and has offices in Europe, Middle East, Asia and the Americas. In 2010 Connect2 Media expanded its operations in North America with the acquisition of Sennari which develops and distributes prize based incentivised games for mobile phones.

The Company has a highly experienced management team led by Executive Chairman Nick Alexander and continues to grow its market share within the traditional mobile gaming sector, distributing over 30 games annually to carriers in five continents. Connect2 Media has a limited presence in the smartphone market, having chosen not to compete in what is a highly fragmented, competitive but fast growing sector.

The Company has started the current financial year in line with full year forecasts and recently agreed a two year licence for the mobile rights to Jaws Worldwide, excluding iOS/iPhone. Reflecting tighter control of costs, the company is currently operating around breakeven EBITDA.

Financial summary (£000's)

Year ended	**31 December 2010**
Turnover	5,382
Gross profit	2,343
EBITDA	(532)
EBIT	(499)
Net assets/(liabilities)	1,783

Investment summary (£000's)

	Foresight 5	Acuity 3	Total
% of fully diluted equity	**19%**	14%	33%
Investment since 30/09/10*	**—**	—	—
Total investment cost	**2,602**	2,250	4,852
Valuation at 30/09/10	**2,750**	2,450	5,200
Valuation at 31/03/11	**1,153**	1,049	2,202

Note:
* Consolidated for Ordinary Shares and C Shares.

Investment Manager's Report continued

DEFAQTO GROUP

Defaqto is an independent financial research company specialising in rating, comparing and analysing financial products. Since 1994, Defaqto has built the largest, whole of market, retail financial product database and become one of the leading providers of financial product data in the UK covering over 30,000 products across banking, life, pensions, investments and general insurance.

The company analyses the level of cover or benefits offered within a financial product and awards a Star Rating from 1 to 5. Defaqto Star Ratings help consumers and advisers decide which product suits their specific needs, rather than comparing purely on price. Providers also use the ratings to ensure they offer products to meet differing consumer demands.

The company sells access to this data to government agencies, financial product providers, financial intermediaries and data aggregators through a number of subscription-based online software products and data feeds.

The company has been making a substantial investment in product development over the past two years.

Financial summary (£000's)

Year ended	**31 March 2010**
Sales	8,745
EBITDA	913
Profit/(loss) before tax	(607)
Net assets/(liabilities)	(8,908)

Investment summary (£000's)

	Foresight 5	Acuity 3	Total
% of equity/voting rights	**25.4%**	8.1%	33.5%
Investment since 30/09/10	**—**	—	—
Total investment cost	**3,852**	1,285	5,137
Valuation at 30/09/10	**5,171**	1,765	6,936
Valuation at 31/03/11	**3,213**	1,057	4,270

FUTURE NOISE

Formed in January 2009 out of the administration of Acrobat Music Group, Future Noise Music is a small music publishing company with three labels:

- **Fantastic Voyage:** focuses on re-releasing recordings from the twenties through to the seventies, across a broad range of genres including blues, rockabilly and soundtracks. This label releases around 3 to 4 compilations a month.
- **Year Zero:** a label focused on the 1980's onwards, across genres. 5 to 6 releases were made in 2010. Much of this output is in-licensed from third parties.
- **Future Noise Music:** Future Noise Music: focuses on releasing newly recorded tracks. The first release on this label will be the Generation Indigo album by Poly Styrene, a comeback album for the 1980's punk artist. This was launched in the UK at the end of March 2011. Sadly in April 2011 Poly Styrene passed away.

While management accounts for 2010 show some top line growth the company has remained small scale and loss making. The outlook is challenging. The company is reviewing various strategic options, including attempting to raise funds from various sources. Having reviewed the investment case Foresight has decided not to support the company with any further investment.

Financial summary (£000's)

Period	**1 December 2008 to 31 December 2009**
Sales	473
Gross profit	230
Operating profit/(loss)	(426)
Profit/(loss) before tax	(426)
Net assets/(liabilities)	222

Investment summary (£000's)

	Foresight 5	Acuity 3	Total
% of equity/voting rights	**38%**	37%	75%
Investment since 30/09/10*	**150**	150	300
Total investment cost	**1,342**	1,398	2,740
Valuation at 30/09/10	**407**	684	1,090
Valuation at 31/03/11	**–**	–	–

Note:
* Investments made prior to transfer of management contract to Foresight.

Investment Manager's Report continued

FACTORY MEDIA

Factory Media was formed in 2006 by the merger of three extreme sports publishers and since then the company has bolted on a number of further titles to its platform, most recently acquiring RoadCyclingUK.com, BikeMagic.com and BMXTalk.com in early 2011, following various German acquisitions and the purchase of Boardseeker and MotoX in the UK. Factory is now Europe's largest action sports media owner, publishing 19 magazines (sold through news stands, subscriptions and mobile devices such as the iPhone and iPad) and 25 websites. Its titles cover all major cycling sectors, as well as major board sports, skiing and motocross markets. Factory's online reach is particularly attractive to brands and retailers as the online action sports market across Europe is worth c.£3.5bn annually (Source: management calculation from industry data). Factory has developed its own video and community network, MPORA, which reaches around 2 million unique users monthly. Having successfully exploited content generation through its media titles, the company is now looking to further monetize its reach further, launching a lead generation operation in summer 2011.

Profitability has grown significantly, driven particularly by growth of high-margin digital revenues, and further profitable growth is planned in 2011 through a number of avenues, in addition to developing lead generation revenues.

Financial summary (£000's)

Year ended	**December 2010***
Sales	9,199
Gross profit	3,145
EBITDA	1,008
Profit/(loss) before tax	73
Net assets/(liabilities)	2,089†

* Draft audited accounts;

† Note: during 2010 a partial balance sheet restructuring took place, in which Acuity 3 and Foresight 5 converted £1m of institutional loan notes, together with accrued interest and redemption premia, into C Ordinary Shares.

Investment summary (£000's)

	Foresight 5	Acuity 3	Total
% of equity/voting rights	**25%**	25%	50%
Investment since 30/09/10	**—**	—	—
Total investment cost	**1,925**	1,925	3,850
Valuation at 30/09/10	**3,663**	3,663	7,326
Valuation at 31/03/11	**2,507**	2,507	5,013

THE FIN MACHINE COMPANY

Acuity backed the management buy in buyout of The Fin Machine Company ("Fin") in November 2007, investing £5.5m alongside investment from the management team and banking facilities from Clydesdale.

Fin designs, manufactures and distributes special purpose capital equipment that is used to manufacture heat exchangers such as radiators, heaters, intercoolers, evaporators and condensers, primarily for the automotive sector, although Fin has also now entered the air conditioning market. Fin supplies a broad range of blue chip OEMs globally, which in turn supply many of the automotive industry majors. Fin operates manufacturing facilities in Seaham, County Durham and Tianjin, China, as well as an assembly and service centre in Indiana, USA.

The global recession, and specifically the well publicised collapse in the automotive industry during 2009/10, negatively impacted the company. The downturn in trading, combined with the costs of opening a major facility in China and entering the air conditioning market, in addition to significant senior debt repayments, put severe strain on the company's working capital. The company experienced liquidity problems which necessitated significant further investment by shareholders, principally Foresight 5 and Acuity 3, during 2010 and early 2011.

The company has a number of remaining internal issues to work through, but the automotive market has returned to growth, particularly in Asia, and Fin's order book has been growing strongly since late 2010. The management team has recently been strengthened by the appointment of Keith Jordan as Chairman. Keith has extensive experience in the engineering sector and has worked successfully with a number of private equity backed businesses. The company's management accounts show c.£14m of sales and an operating loss for the 12 months ended 31 December 2010, but with the Company's position improving, it is projecting a return to profits in 2011.

Financial summary (£000's)

Year ended	**September 2009**
Sales	21,211
Gross profit	6,743
Operating profit/(loss)	(1,257)
Profit/(loss) before tax	(2,147)
Net assets/(liabilities)	(606)

Note:
During 2010 Fin changed its year end to 31 December in line with its Chinese subsidiary (all Chinese businesses have a 31 December year end)

Investment summary (£000's)

	Foresight 5	Acuity 3	Total
% of equity	**33.5%**	21.5%	55%
Investment since 30/09/10*	**1,250**	750	2,000
Total investment cost	**7,006**	4,010	11,016
Valuation at 30/09/10	**2,986**	2,794	5,780
Valuation at 31/03/11	**820**	532	1,352

Note:
* Excludes additional £250k from each of Foresight 5 and Acuity 3 invested in early April 2011.

Investment Manager's Report continued

FINANCIAL NEWS PUBLISHING

Financial News Publishing Limited ("FNP") is a publisher of monthly subscription based newsletters and a provider of data, intelligence and analysis for more than 1,300 customers in the global financial services market. The company publishes material and organises events under the brand name VRL, which has an audience equivalent to a controlled circulation of 1.2m, spanning 87 countries. Today, the 50 employees, operating out of offices in London and Singapore, are focused on providing in depth analysis of niches within FNP's chosen markets including retail and private banking, card payments, leasing, life insurance and accounting. Acuity originally backed the company in 2004. However after a number of years of poor trading from 2006 onwards, the company was put into administration mid 2009. A new management team was backed by Acuity and the business was immediately bought out of administration in August of that year. FNP is currently generating attractive gross margins on c.£3.6m of sales. The management team has reduced costs appreciably and FNP is now making EBITDA profits. Foresight is considering candidates for a replacement Chairman after William Elliot's recent resignation.

Financial summary (£000's)

Year ended	**30 June 2010***
Sales	2,267
Operating profit/(loss)	(1,079)
Profit/(loss) before tax	(1,147)
Net assets/(liabilities)	(1,037)

*Draft audited accounts June 2010

Investment summary (£000's)

	Foresight 5	Total
% of equity/voting rights	**57.8%**	57.8%
Investment since administration (August '09)	**310**	310
Investment since 30/09/10	**–**	–
Total investment cost*	**1,374**	1,374
Valuation at 30/09/10	**2,024**	2,024
Valuation at 31/03/11	**546**	546

Note:
* Total cost of investment including original investment and investment since administration.

HALLMARQ VETERINARY IMAGING

Hallmarq Veterinary Imaging is the only manufacturer of MRI systems for the standing equine market. One of the major benefits of the system is that the horse is only lightly sedated, particularly advantageous as horses respond poorly to general anaesthetic with fatalities in 0.5% of cases.

The small head office and factory are located in Guildford, where the systems are designed and manufactured. Hallmarq has a sales and service office in Acton in the United States and field service engineers based in other locations around the world.

The team behind the development of the standing equine MRI system have man-decades of experience in the design and manufacture of clinical, research and industrial MRI systems and have installed over 150 systems worldwide. Amongst the team are 6 PhD graduates focused on MRI research and development. Hallmarq's stated goal is to make MRI cost effective while giving vets access to proven high technology with a low initial investment.

The Company is trading ahead of budget for the current year ending 31 August 2011, generating high levels of recurring revenue and is planning to raise additional capital from shareholders to repay expiring loan notes and to fund development of a Companion Animal MRI system, principally for cats and dogs.

Financial summary (£000's)

Year ended	31 August 2010
Turnover	2,724
Gross profit	1,265
EBITDA	488
Profit/(loss) after tax	(90)
Net assets/(liabilities)	1,859

Investment summary (£000's)

	Foresight 5	Total
% of fully diluted equity	**7.5%**	7.5%
Investment since 30/09/10	**—**	—
Total investment cost	**1,117**	1,117
Valuation at 30/09/10	**1,260**	1,260
Valuation at 31/03/11	**1,168**	1,168

Investment Manager's Report continued

LOSELEY DAIRY

Loseley Dairy was a UK ice cream producer supplying own label and branded ice cream products to many of the leading supermarkets and high street retailers as well as theatres, pub chains, leisure centres, sporting venues, airlines and smaller outlets. Customers included Hard Rock Cafe, Morrisons and Iceland, amongst others. The Company had a manufacturing facility in Cwmbran Wales which was commissioned in February 2004 and included a production area of 90,000 sq ft.

Formerly AIM listed under the name Hill Station, the assets and brands were bought out of administration in October 2008 by an MBI team supported by Acuity. The company was re-named Loseley Dairy and owned the perpetual licences to five separate ice cream brands: Loseley, Hill Station, Yorkshire Dales, Thayers and Granelli. However, 85% of the company's revenues were derived not from its brands but from the sale of low margin own label ice cream products to UK supermarkets.

The company had an immediate funding requirement of £2.2m to meet overheads and pay overdue creditors, with further funds likely to be required over the medium term. Following the collapse in discussions with two parties regarding a potential sale of the business, administrators were appointed in mid April.

Financial summary

Year ended	**31 March 2010**
Turnover	8,723
Gross profit	1,078
EBITDA	(3,886)
EBIT	(4,135)
Net assets/(liabilities)	(3,605)

Investment summary (£000's)

	Foresight 5	Acuity 3	Total
% of fully diluted equity	**60%**	38%	98%
Investment since 30/09/10*	**950**	650	1,600
Total investment cost	**4,859**	2,548	7,406
Valuation at 30/09/10	**1,992**	1,424	3,416
Valuation at 31/03/11	**—**	—	—

Note:
* Investment made prior to transfer of investment management contract to Foresight.

MUNRO GLOBAL

Munro Global ("Munro") was originally backed by Acuity to execute a buy and build in the fragmented market research sector. Since 2007, Acuity supported this strategy with the investment of £3.8m (£1.9m from each of Foresight 5 and Acuity VCT 3). The financial crisis in 2008/9 had an adverse impact on Munro, which was forced to sell or shut down all but two divisions. FDS, one of the two remaining divisions, is a provider of data collection, market research and statistical analysis, primarily to a number of UK Government bodies and utility companies. FDS was materially impacted by the British Government's austerity measures and in October 2010 its research call centre in Newcastle, which directly employed c.120 people, was shut down. Acuity helped to fund the cost of this closure with an investment of £500k in October 2010 and a further £100k in January 2011. Maven, the second remaining division, is a provider of data collection, market research, value add IT portals and interfaces to automotive groups, a number of UK police forces and other blue chip clients. Maven employs 45 people in its office in High Wycombe. This business generates approximately £3m of revenue annually on a standalone basis.

Significant further capital would have been required to implement a restructuring. Following careful consideration of the strategic options for the company, the principal trading subsidiary of Munro Global was sold to SPA Future Thinking, a market research firm, for a nominal sum. Munro Global is subsequently being liquidated.

Financial summary (£000's)

Year ended	**31 July 2009**
Sales	9,443
Operating profit	192
Profit/(loss) before tax	(178)
Net assets/(liabilities)	545

Investment summary (£000's)

	Foresight 5	Acuity 3	Total
% of equity/voting rights	**24.7%**	24.7%	49.4%
Investment since 30/09/10*	**300**	300	600
Total investment cost	**1,915**	1,915	3,830
Valuation at 30/09/10	**883**	883	1,766
Valuation at 31/03/11	—	—	—

Note:
* Unless noted investments made prior to transfer of investment management contract to Foresight.

Investment Manager's Report continued

RED REEF MEDIA

Red Reef Media was established in February 2008 to implement a buy and build strategy by acquiring publishing assets with the aim of exploiting them through the use of expertise in digital media. TNT Magazine was the company's first and only material acquisition to date, though today Red Reef also runs a number of TNT branded events and publishes other smaller magazines including South Africa Magazine. TNT is a free magazine targeted at young international travellers which generates its revenue from advertising. Following the acquisition of TNT by Red Reef in 2008, a fall in advertising, particularly associated with recruitment, significantly impacted both revenue and profits. The business was highly leveraged and struggling to service all of its debt. Over the course of 2010 and early 2011, Red Reef was successfully turned around. The top management team was replaced, the operations and strategy refocused, and the balance sheet restructured. All of the Foresight 5 and Acuity 3 loan stock was converted into equity, which currently ranks behind approximately £2.3m of bank debt on the balance sheet. The business is now generating operating profits and cash. For the financial year to March 2011 Red Reef expects to achieve approximately £500k of EBITDA on approximately £4m of revenue. The company is now making progress and has the potential to grow revenue and profits while paying down debt.

Financial summary (£000's)

Year ended	31 March 2010
Sales	3,661
EBIT	(152)
Profit/(loss) before tax	(911)
Net assets/(liabilities)	(1,488)

Investment summary (£000's)

	Foresight 5	Acuity 3	Total
% of equity/voting rights	**40.9%**	40.9%	81.8%
Investment since 30/09/10*	**350**	350	700
Total investment cost	**1,777**	1,838	3,615
Valuation at 30/09/10	**1,235**	1,248	2,482
Valuation at 31/03/11	**61**	61	123

Note:
* Investments made prior to transfer of management contract to Foresight.

Unaudited Half-Yearly Results and Responsibility Statements

Principal Risks and Uncertainties

Since the Company is flexible with regard to those areas in which it invests, it aims to achieve a significant degree of diversification and to spread risk by investing in unquoted, PLUS traded and AIM quoted companies. The Company is restricted to investing no more than 15% of the value of its total assets at the time of investment in any one individual qualifying investment or non-qualifying investment.

The key risks facing the Company include Market Risk, Interest Rate Risk, Credit Risk and Liquidity Risk as further detailed in Note 19 of the Notes to the Accounts of the Company's Annual Report and Accounts to 30 September 2010. In addition the Company is also focused on Macroeconomic Risks, Long-term Strategic Risk, Government Policy and Regulation Risk, Investment Risks and Operational Risks as further detailed in the Report of the Directors in the Company's Annual Report and Accounts to 30 September 2010. This Business Review also refers, where appropriate, to specific risks and uncertainties and these should be viewed in conjunction with the risks disclosed above.

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 gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R; 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 Annual Review in the 30 September 2010 annual report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Annual Review and Notes to the Accounts of the 30 September 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 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 can 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

David Sebire
Chairman
1 June 2011

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

Income Statements

for the six months ended 31 March 2011

	Ordinary Shares Fund			C Shares Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding losses	—	(19,250)	(19,250)	—	(107)	(107)
Realised gains on investments	—	1,079	1,079	—	—	—
Income	(2,690)	—	(2,690)	—	—	—
Investment management fees	(171)	(512)	(683)	(1)	(2)	(3)
Other expenses	(238)	268	30	(5)	3	(2)
Loss on ordinary activities before taxation	**(3,099)**	**(18,415)**	**(21,514)**	**(6)**	**(106)**	**(112)**
Taxation	—	—	—	—	—	—
Loss on ordinary activities after taxation	**(3,099)**	**(18,415)**	**(21,514)**	**(6)**	**(106)**	**(112)**
Loss per share	**(5.7)p**	**(33.9)p**	**(39.6)p**	**(0.8)p**	**(13.6)p**	**(14.4)p**

Balance Sheets

at 31 March 2011

	Ordinary Shares Fund		C Shares Fund	
	£'000	£'000	£'000	£'000
Non-current assets				
Investments held at fair value through profit or loss		10,012		222
Current assets				
Debtors	539		—	
Cash	370		347	
	909		347	
Creditors				
Amounts falling due within one year	(209)		(11)	
Net current assets		700		336
Creditors				
Amounts falling due in more than one year		(88)		(7)
Net assets		**10,624**		**551**
Capital and reserves				
Called-up share capital		544		8
Share premium account		19,339		702
Special reserve		29,089		—
Capital redemption reserve		25		—
Capital reserve		(35,173)		(121)
Revenue reserve		(3,200)		(38)
Equity shareholders' funds		**10,624**		**551**
Number of shares in issue		54,394,938		777,589
Net asset value per share		**19.5p**		**70.8p**

Unaudited Non-Statutory Analysis between Ordinary Shares and C Shares continued

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 March 2011

Ordinary Shares Fund	Called-up share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 1 October 2010	544	19,339	29,089	25	(16,758)	(101)	32,138
Net realised gains on disposal of investments	—	—	—	—	1,079	—	1,079
Investment holding losses	—	—	—	—	(19,250)	—	(19,250)
Management fees charged to capital	—	—	—	—	(512)	—	(512)
Re-estimation of trail commission creditor charged	—	—	—	—	268	—	268
Revenue loss for the period	—	—	—	—	—	(3,099)	(3,099)
As at 31 March 2011	**544**	**19,339**	**29,089**	**25**	**(35,173)**	**(3,200)**	**10,624**

C Shares Fund	Called-up share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 1 October 2010	8	702	—	—	(15)	(32)	663
Investment holding losses	—	—	—	—	(107)	—	(107)
Management fees charged to capital	—	—	—	—	(2)	—	(2)
Re-estimation of trail commission creditor charged	—	—	—	—	3	—	3
Revenue loss for the period	—	—	—	—	—	(6)	(6)
As at 31 March 2011	**8**	**702**	**—**	**—**	**(121)**	**(38)**	**551**

Unaudited Income Statement
for the six months ended 31 March 2011

	Six months ended 31 March 2011 (unaudited)			Six months ended 31 March 2010 (unaudited)			Year ended 30 September 2010 (audited)		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding losses	**–**	**(19,357)**	**(19,357)**	–	(230)	(230)	–	(12,762)	(12,762)
Realised gains/(losses) on investments	**–**	**1,079**	**1,079**	–	1,539	1,539	–	(1,698)	(1,698)
(Provision for accrued income)/income	**(2,690)**	**–**	**(2,690)**	27	–	27	221	–	221
Investment management fees	**(172)**	**(514)**	**(686)**	(121)	(361)	(482)	(224)	(673)	(897)
Other expenses	**(243)**	**271**	**28**	(164)	–	(164)	(469)	184	(285)
(Loss)/return on ordinary activities before taxation	**(3,105)**	**(18,521)**	**(21,626)**	(258)	948	690	(472)	(14,949)	(15,421)
Taxation	**–**	**–**	**–**	–	–	–	–	–	–
(Loss)/return on ordinary activities after taxation	**(3,105)**	**(18,521)**	**(21,626)**	(258)	948	690	(472)	(14,949)	(15,421)
(Loss)/return per share									
Ordinary Share	**(5.7)p**	**(33.9)p**	**(39.6)p**	(0.1)p	0.2p	0.1p	(1.0)p	(32.0)p	(33.0)p
C Share	**(0.8)p**	**(13.6)p**	**(14.4)p**	(0.1)p	0.5p	0.4p	(2.0)p	0.5p	(1.5)p

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

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

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

Unaudited Balance Sheet

at 31 March 2011 Registered Number: 05210737

		As at 31 March 2011 (unaudited) £'000	As at 31 March 2010 (unaudited) £'000	As at 30 September 2010 (audited) £'000
Non-current assets				
Investments held at fair value through profit or loss	**10,234**	45,013	29,727	
Current assets				
Debtors		**530**	2,592	3,116
Cash		**717**	1,685	551
		1,247	4,277	3,667
Creditors				
Amounts falling due within one year		**(211)**	(170)	(261)
Net current assets		**1,036**	4,107	3,406
Creditors				
Amounts falling due in more than one year		**(95)**	(516)	(332)
Net assets		**11,175**	48,604	32,801
Capital and reserves				
Called-up share capital		**552**	549	552
Share premium		**20,041**	19,451	20,041
Special reserve		**29,089**	29,089	29,089
Capital redemption reserve		**25**	25	25
Capital reserve		**(35,294)**	(917)	(16,773)
Revenue reserve		**(3,238)**	407	(133)
Equity shareholders' funds		**11,175**	48,604	32,801
Net asset value per share:				
Ordinary Share		**19.5p**	88.6p	59.1p
C Share		**70.8p**	90.7p	85.2p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 March 2011

Company	**Called-up share capital £'000**	**Share premium account £'000**	**Special reserve £'000**	**Capital redemption reserve £'000**	**Capital reserve £'000**	**Revenue reserve £'000**	**Total £'000**
As at 1 October 2010	552	20,041	29,089	25	(16,773)	(133)	32,801
Net realised gains on disposal of investments	—	—	—	—	1,079	—	1,079
Investment holding losses	—	—	—	—	(19,357)	—	(19,357)
Management fees charged to capital	—	—	—	—	(514)	—	(514)
Re-estimation of trail commission creditor charged	—	—	—	—	271	—	271
Revenue loss for the period	—	—	—	—	—	(3,105)	(3,105)
As at 31 March 2011	**552**	**20,041**	**29,089**	**25**	**(35,294)**	**(3,238)**	**11,175**

Unaudited Summary Cash Flow Statement

for the six months ended 31 March 2011

	Six months ended 31 March 2011 (unaudited) £'000	Six months ended 31 March 2010 (unaudited) £'000	Year ended 30 September 2010 (audited) £'000
Cash flow from operating activities			
Investment income received	**19**	47	92
Deposit and similar interest received	**–**	–	–
Investment management fees paid	**(1,010)**	(696)	(1,426)
Other cash payments	**(236)**	(188)	(331)
Net cash (outflow)/inflow from operating activities and returns on investment	**(1,227)**	(837)	(1,665)
Taxation	**–**	–	–
Returns on investment and servicing of finance			
Purchase of investments	**(2,925)**	(800)	(1,583)
Net proceeds on sale of investments	**4,340**	1,375	1,678
Cash awaiting investment	**–**	–	(200)
Repayment of loan stock to investors	**(22)**	–	–
Net cash (outflow)/inflow from financial investment	**1,393**	575	(105)
Management of liquid resources			
Subscription to money market	**(3,000)**	–	–
Redemption from money market	**3,000**	–	–
	–	–	–
Financing			
Proceeds of fund raising	**–**	–	307
Cash acquired from merger	**–**	1,325	1,329
Merger expenses	**–**	(238)	(230)
Amounts received for shares awaiting issue	**–**	–	55
	–	1,087	1,461
Increase/(decrease) in cash	**166**	825	(309)

Notes to the Unaudited Half-Yearly Financial Report

for the six months ended 31 March 2011

1 The unaudited interim results have been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 30 September 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 S434 of the Companies Act 2006 and the financial information for the six months ended 31 March 2011 and 31 March 2010 has been neither audited nor reviewed. Statutory accounts in respect of the period to 30 September 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 30 September 2010 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

3 Copies of the Half-Yearly Financial 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.

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

4 Net asset value per share

The net asset value per share for the Ordinary Shares and the C Shares has been calculated on the appropriate allocation of the Company's assets and liabilities. From 1 October 2010, 98% of all joint costs incurred were allocated to the Ordinary Shares Fund and 2% to the C Shares Fund, based on original funds raised.

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		**C Shares Fund**	
	Net Assets £'000	**Number of Shares in Issue**	**Net Assets £'000**	**Number of Shares in Issue**
31 March 2011	10,624	54,394,938	551	777,589
31 March 2010	47,898	54,051,052	706	777,589
30 September 2010	32,138	54,394,938	663	777,589

5 Return per share

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

	Ordinary Shares Fund (shares)	**C Shares Fund (shares)**
Six months ended 31 March 2011	54,394,938	777,589
Six months ended 31 March 2010	39,183,826	777,589
Year ended 30 September 2010	46,679,064	777,589

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

6 Income

	Six months ended 31 March 2011 (unaudited) £'000	Six months ended 31 March 2010 (unaudited) £'000	Year ended 30 September 2010 (audited) £'000
Deposit interest	**—**	—	—
Venture capital investments — (net provision)/income*	**(2,690)**	27	221
	(2,690)	27	221

* As a result of a number of portfolio companies being put into administration and the poor performance of a number of other portfolio companies, the previously accrued loan stock interest has been fully provided against.

Notes to the Unaudited Half-Yearly Financial Report continued

for the six months ended 31 March 2011

7 Investments held at fair value through profit or loss

Company	**Quoted £'000**	**Unquoted £'000**	**Total £'000**
Book cost at 1 October 2010	3,234	30,881	34,115
Investment holding losses	(2,348)	(2,040)	(4,388)
Valuation at 1 October 2010	886	28,841	29,727
Movements in the period:			
Purchases at cost	–	3,125	3,125
Disposal proceeds	–	(4,340)	(4,340)
Realised gains	–	1,079	1,079
Investment holding losses	(120)	(19,237)	(19,357)
Valuation at 31 March 2011	**766**	**9,468**	**10,234**
Book cost at 31 March 2011	3,234	30,745	33,979
Investment holding losses	(2,468)	(21,277)	(23,745)
Valuation at 31 March 2011	**766**	**9,468**	**10,234**

Ordinary Shares Fund	**Quoted £'000**	**Unquoted £'000**	**Total £'000**
Book cost at 1 October 2010	3,137	30,681	33,818
Investment holding losses	(2,360)	(2,060)	(4,420)
Valuation at 1 October 2010	777	28,621	29,398
Movements in the period:			
Purchases at cost	–	3,125	3,125
Disposal proceeds	–	(4,340)	(4,340)
Realised gains	–	1,079	1,079
Investment holding losses	(144)	(19,106)	(19,250)
Valuation at 31 March 2011	**633**	**9,379**	**10,012**
Book cost at 31 March 2011	3,137	30,545	33,682
Investment holding losses	(2,504)	(21,166)	(23,670)
Valuation at 31 March 2011	**633**	**9,379**	**10,012**

C Shares Fund	**Quoted £'000**	**Unquoted £'000**	**Total £'000**
Book cost at 1 October 2010	97	200	297
Investment holding gains	12	20	32
Valuation at 1 October 2010	109	220	329
Movements in the period:			
Investment holding losses	24	(131)	(107)
Valuation at 31 March 2011	**133**	**89**	**222**
Book cost at 31 March 2011	97	200	297
Investment holding gains/(losses)	36	(111)	(75)
Valuation at 31 March 2011	**133**	**89**	**222**

Notes to the Unaudited Half-Yearly Financial Report continued

for the six months ended 30 June 2010

8 Related Parties

The Board of the Company entered into a termination agreement with Acuity Capital Management Limited ('Acuity Capital') on 24 February 2011 (the 'Termination Agreement'). On the same day Foresight Group CI Limited ('Foresight Group') were appointed as the new Investment Manager. The terms of the new investment management agreement with Foresight Group (the 'New Management Agreement') are substantially similar to the Company's previous arrangements with Acuity Capital (the 'Previous Management Agreement'). Foresight Group has agreed to waive its management and administration fees for a period of 18 months, and thereafter will receive an annual management fee of 2.5% of the net asset value of the Company payable quarterly based on the last announced net asset value of the Company. Additionally it will receive an administration fee of £71,000 per annum, which will rise in line with RPI.

Under the Previous Management Agreement, the Board was required to give in excess of two years' notice to Acuity Capital to terminate the agreement, pursuant to which the Company has agreed to pay Acuity Capital £1,187,855 in phased payments and £25,000 per quarter for six quarters for its work to ensure a smooth handover to Foresight Group and agreed to redeem the £21,465 of outstanding loan notes issued to Acuity Capital's employees. The aggregate amount payable is approximately equal to the management and administration fees that would have been payable over an 18 month period, but calculated with reference only to the 30 September 2010 audited net asset value of the Company.

Acuity Capital as the previous Investment Manager and Secretary of the Company was considered to be a related party by virtue of its previous management contract with the Company. During the period, services of a total value of £721,516 (31 March 2010: £514,000; 30 September 2010: £1,089,000) were purchased by the Company from Acuity Capital. At 31 March 2011, the amount due to Acuity Capital, excluding the termination payment, was £nil.

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 £nil (31 March 2010: £nil; 30 September 2010: £nil) were purchased by the Company from Foresight Group CI Limited. At 31 March 2011, the amount due to Foresight Group CI Limited was £nil.

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 £nil excluding VAT (31 March 2010: £nil; 30 September 2010: £nil) were purchased by the Company from Foresight Fund Managers Limited. At 31 March 2011, the amount due to Foresight Fund Managers Limited was £nil.

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

Shareholder Information

Dividends
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, Capita (see back cover for details).

Share price
The Company's Ordinary Shares and C Shares are listed on the London Stock Exchange. Share price information can 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, Capita Registrars Limited, under the signature of the registered holder.

Trading shares
The Company's Ordinary and C Shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange via a stockbroker. The primary market maker for Foresight 5 VCT plc is Matrix Corporate Capital LLP.

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

January 2012	Announcement of preliminary results for the year ending 30 September 2011.
January 2012	Posting of the annual report for the year ending 30 September 2011.
February 2012	Annual General Meeting.
May 2012	Announcement of Half-Yearly Results for the six months ending 31 March 2012.

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 5 VCT plc:

Telephone:	01732 471800
Fax:	01732 471810
e-mail:	info@foresightgroup.eu
website:	www.foresightgroup.eu

Foresight 5 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.

Foresight 5 VCT plc
ECA Court
South Park
Sevenoaks
Kent
TN13 1DU

Corporate Information

Directors
David Sebire (Chairman)
Rupert Pennant-Rea (resigned 10 March 2011)
David Donnelly
Catrina Holme
Nicholas Ross (resigned 24 February 2011)

Company Secretary
Foresight Fund Managers Limited
ECA Court
South Park
Sevenoaks
TN13 1DU

Investment Manager
Foresight Group CI Limited
La Plaiderie House
La Plaiderie
St. Peter Port
Guernsey
GY1 4HE

Registered Office
ECA Court
South Park
Sevenoaks
TN13 1DU

Auditors and Tax Advisers
KPMG Audit PLc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Broker
Matrix Corporate Capital LLP
One Vine Street
London
W1J 0AH

VCT Status Advisers
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Registrar and Transfer Office
Capita Registrars Limited
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0GA

Registered Number
05210737

Contact Numbers

- Registrar's Shareholder Helpline — Capita (0871 664 0300) Web: www.capitaregistrars.com
  Email: shareholder.services@capitaregistrars.com
- General and Portfolio Queries — Foresight Group (01732 471 800)

Any change of address of a shareholder or other relevant amendments to shareholder details should be communicated to the Company's Registrars, Capita Registrars.