Acuity VCT 3

Unaudited Half-Yearly Financial Report

for the six month period ended 31 March 2011

Acuity VCT 3

Objective

The objective of Acuity VCT 3 plc 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 which are established companies.

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.

Summary

- Net asset value per Ordinary Share as at 31 March 2011 decreased to 18.6p from 61.9p as at 30 September 2010.
- The Company made six follow-on investments totalling £2,325,000 during the six months under review: The Fin Machine Company (£750,000), Loseley Dairy Ice Cream (£650,000), Red Reef Media (£350,000), Munro Global (£300,000), Future Noise (£150,000) and Brand Acquisitions (£125,000).
- Cash proceeds of £2,243,883 realised from three investments: Amber Taverns (£912,710), Mount Engineering (£889,114) and Electra Private Equity (£442,059).
- Change of Investment Manager to Foresight Group CI Limited.

	Six months ended 31 March 2011	Year ended 30 September 2010
Net asset value per Ordinary Share	**18.6p**	**61.9p**
Net asset value per Ordinary Share (including all dividends paid since inception of the Company)	**23.1p**	**66.4p**
Revenue return per Ordinary Share	**(4.3)p**	**(1.0)p**
Total return per Ordinary Share	**(43.4)p**	**(23.2)p**

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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 to highlight these matters and so this Half-Yearly Financial Report is much longer than usual, incorporating the following statement from myself and also a detailed report from Foresight Group ('Foresight'), your Company's new investment manager.

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

On 1 April 2011, an RNS announcement was released highlighting 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, your Company's net asset value has fallen by 70% from £21.3m (61.9p per Ordinary Share) as at 30 September 2010 to £6.4m (18.6p per Ordinary 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 October 2010, when the net asset value fell significantly, to replace the former investment manager, Acuity Capital Management Limited ('Acuity'), through a competitive selection process. It was decided just before Christmas last year by your Board and the Board of Acuity Growth VCT plc (now renamed Foresight 5 VCT plc ('Foresight 5')) to appoint Foresight as the new investment manager. There was a need to co-ordinate the change of investment manager between the two VCTs and a considerable delay occurred while a termination agreement was negotiated by the Board of Foresight 5. Foresight was subsequently appointed as the new investment manager by the Board of Foresight 5 on 24 February 2011 and by your Board on 1 April 2011. Your Board decided to delay the appointment of Foresight until after the Company's AGM on 24 March 2011, by which time Foresight had completed their initial investigation on behalf of Foresight 5 which enabled a substantially lower termination fee to be negotiated with Acuity.

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 which had built up during the extended appointment process. This was despite £2.2m being received in the six months ended 31 March 2011 from the successful sales of the investments in Amber Taverns (£0.9m) and Mount Engineering (£0.9m) and the sale of over 27,000 Electra Private Equity shares (£0.4m). In the six months ended 31 March 2011 before Foresight's eventual appointment as the new investment manager, a further £2.3m was invested by the former investment manager to support existing portfolio companies. The largest of these investments were into Loseley Dairy (£0.65m), Red Reef Media (£0.35m) and Munro Global (£0.3m). Based on Foresight's overall assessment of the cash positions of Acuity 3 and Foresight 5 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 proposed by Foresight and accepted by the Board in light of currently available information has ultimately resulted in the above fall in net asset value. Reductions have unfortunately been necessary in the valuations of all unquoted investee companies. Of the overall reduction of £14.9m, 39% related to write-offs following decisions by Foresight not to continue supporting the loss making businesses described above and 61% resulted from applying different valuation methodologies in the light of currently available information. Major reductions in net asset values from those values as at 30 September 2010 have occurred in the following investments: Loseley Dairy (£2.1m); Brand Acquisitions (£1.7m); Future Noise (£0.8m) and Munro Global (£1.2m), all of which have been written down to nil. Further related reductions totalling £1.2m have had to be made against irrecoverable accrued interest of which £0.5m was in respect of Fin Machine. A reduction of £3.2m 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 substantial reductions in valuations have been made against the investments in Defaqto (£0.7m) and Red Reef Media (£1.5m) as a result of the application of different valuation methodologies referred to above. 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

The Board is currently reviewing its capital raising and strategic options, which may include a pre-emptive shareholder offer. Foresight has proposed a pre-emptive shareholder offer of ten per cent of the issued share capital, but your Board does not think it appropriate to ask shareholders for further funds when there is no immediate cash requirement and funds raised thereby would only be modest. Any such fund raising will be considered as part of the Board's strategic review. The review of strategic options will include evaluating potential merger options for the Company.

Chairman's Statement

The Directors have agreed to defer payment of their fees during this difficult time, until in the view of your Board, your Company's cash position has improved. Additionally, Acuity has agreed to defer the fees relating to their termination until 1 October 2011 when payments will recommence on a quarterly basis with a final payment on 1 January 2012.

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 in the foreseeable future.

Outlook

As requested by your Board, Foresight has now completed its review of the Company and each of the investments in the portfolio. 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 Acuity 3'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 believes 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 which would result in your Company's net asset value increasing over time.

Stuart Stradling

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 VCT 3 Plc ('Acuity 3' or the 'Company') on 1 April 2011. Foresight was also appointed as the new investment manager of Acuity 3's closely related sister VCT, Acuity Growth VCT Plc (renamed Foresight 5 VCT Plc ('Foresight 5'), on 24 February 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 Acuity 3 portfolio principally comprised nine unquoted investments, the majority of the value of the portfolio. The portfolios of Acuity 3 and Foresight 5 largely overlap.

Reductions in Net Asset Values

In summary, but as explained in more detail below, at the time of Foresight's appointment, Acuity 3 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 continued poor performance of the portfolio and the use of different valuation methodologies proposed by Foresight and accepted by the Board in light of currently available information, this has resulted in a substantial reduction in the net asset value.

Acuity 3's net assets value has fallen by 70% from £21.3m (61.9p per Ordinary Share) as at 30 September 2010 to £6.4m (18.6p per Ordinary Share) as at 31 March 2011.

Corporate Strategy

Foresight has proposed a pre-emptive shareholder offer of ten per cent of the issued share capital, but your Board does not think it appropriate to ask shareholders for further funds when there is no immediate cash requirement and the funds raised thereby would only be modest. Any such fund raising will be considered as part of the Board's strategic review. The review of strategic options will include evaluating potential merger options for the Company.

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 Acuity 3 and Foresight 5 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 Foresight 5 on 24 February and of Acuity 3 on 1 April 2011. Foresight, having already completed an initial review of the Foresight 5 portfolio which is substantially similar, was already very familiar with the portfolio of the Company on appointment by the Board.

(ii) Assessment of Acuity 3 and Investee Companies

As planned, 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 the nine unquoted investments. Reductions have unfortunately been necessary in the valuations of all nine unquoted investments, in part due to the additional information gathered by Foresight. In most cases these reductions have been 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.

Investment Manager's Report continued

(iii) Cash Position

At 31 March 2011, Acuity 3 had cash and relatively realisable listed investments of only around £1.2m, before paying termination payments to the former investment manager of some £360k. This was 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 Acuity 3 and half from Foresight 5. 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 Acuity 3 and half from Foresight 5).

Foresight had expected Acuity 3 to have more cash resources, as (i) £0.9m of cash had been realised from the successful sale of the investment in Amber Taverns in November 2010 reflecting an exit multiple of 2.9 times, (ii) £0.9m of cash had been realised following the takeover of AiM listed Mount Engineering again in November 2010, and (iii) £0.4m was received following sales of over 27,000 Electra Private Equity shares during February and March 2011. In the five months from October 2010 to February 2011, 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, Brand Acquisitions and Future Noise, which were all significantly loss making and presented very challenging investment cases.

These decisions thereby cast doubt on the continuing viability of some of these companies and on their current valuations. During April and May following extensive consideration of the strategic options for each business, Munro Global, Brand Acquisitions and Loseley Dairy all 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 four 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 the light of currently available information. 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. This has led to a disproportionately large fall in the value of certain of Acuity 3's investments when compared with the fall in the overall value of these 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 nine 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 Acuity 3 and Foresight 5 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.

ACUITY 3 INVESTMENT SUMMARY

	31 March 2011					30 September 2010	
Investment	Amount Invested £	Valuation £	Additions/ (Disposals) since 30 September 2010* £	Valuation Movement since 30 September 2010* £	Valuation Methodology	Amount Invested £	Valuation £
Factory Media Limited	1,925,002	2,506,680	-	(1,156,619)	Earnings multiple	1,925,002	3,663,299
Connect2 Media Limited	2,250,000	1,049,200	-	(1,400,870)	Earnings multiple	2,250,000	2,450,070
Defaqto Group Limited	1,285,383	1,057,245	-	(707,687)	Earnings multiple	1,285,383	1,764,932
Electra Private Equity Plc**	417,272	532,160	(352,634)	77,086	Bid price	769,906	807,708
The Fin Machine Company Limited	4,010,000	351,600	750,000	(3,192,725)	Earnings multiple	3,260,000	2,794,325
PFS Downing Active Management	218,137	221,029	-	1,400	Bid price	218,137	219,629
Jelf Group Plc	250,222	142,205	-	31,273	Bid price	250,222	110,932
Zamano Plc	750,000	124,688	-	(15,937)	Bid price	750,000	140,625
Red Reef Media Limited	1,838,232	61,362	350,000	(1,536,143)	Earnings multiple	1,488,232	1,247,505
Managed Support Services Plc	887,584	55,293	-	(82,273)	Bid price	887,584	137,566
Sport Media Group Plc	500,000	-	-	(10,000)	Discounted bid price	500,000	10,000
Future Noise Limited	1,398,046	-	150,000	(833,941)	Nil value	1,248,046	683,941
Munro Global Limited	1,915,000	-	300,000	(1,183,306)	Nil value	1,615,000	883,306
Brand Acquisitions Limited	2,025,000	-	125,000	(1,746,139)	Nil value	1,900,000	1,621,139
Loseley Dairy Ice Cream Limited	2,547,548	-	650,000	(2,073,454)	Nil value	1,897,548	1,423,454
Amber Taverns Limited***	-	-	(500,000)	(123,682)	Sold	500,000	623,682
Mount Engineering Plc	-	-	(759,000)	(86,743)	Sold	759,000	845,743
	22,217,426	**6,101,462**	**713,366**	**(14,039,760)**		**21,504,060**	**19,427,856**
Net current assets less liabilities		268,192					1,837,070
Net assets		**6,369,654**					**21,264,926**
Number of shares in issue		34,337,164					34,337,164
Net asset value per share		**18.6p**					**61.9p**

Note:

In addition to the investments detailed above, a £0.25m investment was made in Fin Machine in early April.

* Gross of additions/(disposals).

** £0.4 million was received by Acuity 3 following sales of over 27,000 Electra Private Equity shares during February and March 2011.

*** Amber Taverns was sold in November 2010 realising cash proceeds of £0.9m.

Investment Manager's Report continued

This table shows 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 £14.9m reduction in net asset value, 39% was because of write-offs following decisions by Foresight not to continue to support certain loss making businesses and 61% resulted from applying different 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 on 1 April 2011 by the Board that the Company's net assets would be substantially lower than the last published figure.

Acuity 3's net asset value has fallen by 70% from £21.3m (61.9p per Ordinary Share) as at 30 September 2010 to £6.4m (18.6p per Ordinary 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 the light of currently available information has ultimately resulted in the above fall in net asset value. Reductions have unfortunately been necessary in the valuations of all unquoted investee companies. Major reductions in valuations from those as at 30 September 2010 have occurred in the following investments: Loseley Dairy (£2.1m); Brand Acquisitions (£1.7m); Future Noise (£0.8m) and Munro Global (£1.2m), all of which have been written down to nil. Further related reductions totalling £1.2m have had to be made against irrecoverable accrued interest of which £0.5m related to Fin Machine. A reduction of £3.2m 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 (£0.7m), Connect2 Media (£1.4m), Factory Media (£1.1m) and Red Reef Media (£1.5m), 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 £548,597 for Acuity 3, an uplift of 3.1% on the valuation as at 31 March 2011.

Future Investment Strategy

Foresight believes that the Company should raise further capital to provide it with sufficient funds to contribute to the likely future cash requirements of the existing investee companies and provide a degree of funding flexibility. The Company is small, with a highly concentrated portfolio comprising only a few investments. Further funds would enable the Company to invest in new opportunities generated from Foresight's strong deal flow and so diversify its portfolio over time. These would 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, your Company's net asset value should increase over time.

Portfolio Review

On 31 March 2011, the Acuity 3 portfolio comprised two categories of investments, namely six listed shareholdings and nine unquoted investments. There is significant overlap between the holdings of Acuity 3 and its sister VCT, Foresight 5.

Listed Shareholdings

Acuity 3's holding in Mount Engineering was sold during the period for £0.9m, an uplift of £45,000 on the valuation at 30 September 2010. In addition, £0.4m was received by Acuity 3 following sales of over 27,000 Electra Private Equity shares during February and March 2011, leaving shares worth £532,160 on 31 March 2011. This holding has since been sold realising £548,597, representing an uplift of 3.1% on the valuation on 31 March 2011. The total valuation of the remaining five listed investments as at 31 March 2011 was £543,215 a reduction of £75,537 compared to the valuation of £618,752 on 30 September 2010.

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.

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	—	**—**	—

Investment Manager's Report continued

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

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

Investment Manager's Report continued

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:** 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.

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	**31 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

Investment Manager's Report continued

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 Acuity 3 and Foresight 5, 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	**30 September 2009**
Sales	21,211
Gross profit	6,743
EBIT	(1,257)
Profit before tax	(2,147)
Net assets/(liabilities)	(606)

Note:
During 2010 Fin altered 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.

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 5 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.

Investment Manager's Report continued

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

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 VCT 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

The principal risks faced by the Company are 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 30 September 2010 (‘the Annual Report’). A detailed explanation can be found on pages 15 to 16 of the Annual Report 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 not been any changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Directors’ Responsibility Statement:

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

The Directors confirm to the best of their knowledge that:

(a) the summarised set of financial statements has been prepared in accordance with the pronouncement on interim reporting issued by the Accounting Standards Board;

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);

(c) the summarised set of financial statements 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 Business Review of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman’s Statement, Business Review and Notes to the Accounts of the 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 is able 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.

By order of the Board

Stuart Stradling

Chairman
1 June 2011

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
Realised gains/(losses) on investments	**–**	**633**	**633**	–	26	26	–	(1,328)	(1,328)
Investment holding (losses)/gains	**–**	**(14,041)**	**(14,041)**	–	1,464	1,464	–	(6,111)	(6,111)
(Provision for accrued income)/income	**(1,233)**	**–**	**(1,233)**	103	–	103	130	–	130
Investment management fees	**(75)**	**(226)**	**(301)**	(93)	(280)	(373)	(133)	(398)	(531)
Other expenses	**(172)**	**220**	**48**	(126)	–	(126)	(344)	141	(203)
(Loss)/return on ordinary activities before taxation	**(1,480)**	**(13,414)**	**(14,894)**	(116)	1,210	1,094	(347)	(7,696)	(8,043)
Taxation	**–**	**–**	**–**	–	–	–	–	–	–
(Loss)/return on ordinary activities after taxation	**(1,480)**	**(13,414)**	**(14,894)**	(116)	1,210	1,094	(347)	(7,696)	(8,043)
(Loss)/return per Ordinary Share	**(4.3)p**	**(39.1)p**	**(43.4)p**	(0.3)p	3.5p	3.2p	(1.0)p	(22.2)p	(23.2)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: 05544383

	As at 31 March 2011 (Unaudited) £'000	As at 31 March 2010 (Unaudited) £'000	As at 31 September 2010 (Audited) £'000
Non-current assets			
Investments held at fair value through profit or loss	**6,101**	28,845	19,428
Current assets			
Debtors	**8**	1,262	1,494
Cash	**459**	953	781
	467	2,215	2,275
Creditors			
Amounts falling due within one year	**(80)**	(87)	(114)
Net current assets	**387**	2,128	2,161
Creditors			
Amounts falling due in more than one year	**(118)**	(454)	(324)
Net assets	**6,370**	30,519	21,265
Capital and reserves			
Called-up share capital	**343**	344	344
Share premium account	**89**	—	89
Capital redemption reserve	**7**	—	7
Special reserve	**31,160**	31,723	31,160
Capital reserve	**(24,063)**	(1,744)	(10,649)
Revenue reserve	**(1,166)**	196	314
Equity shareholders' funds	**6,370**	30,519	21,265
Net asset value per Ordinary Share	**18.6p**	88.7p	61.9p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 March 2011

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 1 October 2010	344	89	7	31,160	(10,649)	314	21,265
Share capital adjustment from prior period	(1)	—	—	—	—	—	(1)
Net realised gain on disposal of investments	—	—	—	—	633	—	633
Investment holding losses	—	—	—	—	(14,041)	—	(14,041)
Management fees charged to capital	—	—	—	—	(226)	—	(226)
Re-estimation of trail commission creditor charged	—	—	—	—	220	—	220
Revenue return for the period	—	—	—	—	—	(1,480)	(1,480)
As at 31 March 2011	**343**	**89**	**7**	**31,160**	**(24,063)**	**(1,166)**	**6,370**

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	**—**	12	29
Deposit and similar interest received	**—**	—	1
Investment management fees paid	**(287)**	(541)	(711)
Other cash payments	**(147)**	(181)	(371)
Net cash outflow from operating activities and returns on investment	**(434)**	(710)	(1,052)
Taxation	**—**	—	—
Returns on investment and servicing of finance			
Purchase of investments	**(2,125)**	(1,488)	(3,573)
Net proceeds on sale of investments	**2,244**	1,864	4,437
Repayment of loan stock to investors	**(7)**	—	—
Cash held in escrow pending investment	**—**	—	(200)
Net cash inflow from financial investment	**112**	376	664
Equity dividends paid	**—**	(350)	(350)
Financing			
Proceeds of fund raising	**—**	—	90
Repurchase of own shares	**—**	(190)	(397)
	—	(190)	(307)
Decrease in cash	**(322)**	(874)	(1,045)

Notes to the Unaudited Half-Yearly Financial Report

1 The unaudited half-yearly results have been prepared on the basis of accounting policies set out in the statutory accounts of the Company for the 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 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 have been sent to shareholders and are available for inspection at the Registered Office of the Company at ECA Court, South Park, Sevenoaks, Kent, TN13 1DU.

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

4 **Net asset value per share**

The net asset value per share is based on net assets at the end of the period and on the number of Ordinary Shares in issue at that date.

	Net Assets £'000	**Number of Shares in Issue**
31 March 2011	6,370	34,337,164
31 March 2010	30,519	34,402,374
30 September 2010	21,265	34,337,164

5 **Return per share**

	Six months ended 31 March 2011 (Unaudited) £'000	Six months ended 31 March 2010 (Unaudited) £'000	Year ended 30 September 2010 (Audited) £'000
Total (loss)/return after taxation	**(14,894)**	1,094	(8,043)
Basic (loss)/return per share (note a)	**(43.4)p**	3.2p	(23.2)p
Revenue loss from ordinary activities after taxation	**(1,480)**	(116)	(347)
Revenue loss per share (note b)	**(4.3)p**	(0.3)p	(1.0)p
Capital (loss)/return from ordinary shares after taxation	**(13,414)**	1,210	(7,696)
Capital (loss)/return per share (note c)	**(39.1)p**	3.5p	(22.2)p
Weighted average number of shares in issue in the period	**34,337,164**	34,630,023	34,614,246

Notes:

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

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

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

Notes to the Unaudited Half-Yearly Financial Report continued

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	**—**	—	1
Venture capital investments (net provision)/income*	**(1,233)**	103	129
	(1,233)	103	130

* 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.

7 Investments held at fair value through profit or loss

	Quoted £'000	**Unquoted £'000**	**Total £'000**
Book cost at 1 October 2010	4,135	17,369	21,504
Investment holding losses	(1,863)	(213)	(2,076)
Valuation at 1 October 2010	2,272	17,156	19,428
Movements in the period:			
Purchases at cost	—	2,325	2,325
Disposal proceeds	(1,331)	(913)	(2,244)
Realised gains	220	413	633
Investment holding losses	(86)	(13,955)	(14,041)
Valuation at 31 March 2011	**1,075**	**5,026**	**6,101**
Book cost at 31 March 2011	3,024	19,194	22,218
Investment holding losses	(1,949)	(14,168)	(16,117)
Valuation at 31 March 2011	**1,075**	**5,026**	**6,101**

Notes to the Unaudited Half-Yearly Financial Report continued

8 Related party transactions

Acuity Capital Management Limited ('Acuity Capital'), as Investment Manager and Secretary of the Company at the period end, 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 £352,466 (31 March 2010: £406,000; 30 September 2010: £778,000) were purchased by the Company from Acuity Capital. At 31 March 2011, the amount due to Acuity Capital, excluding the termination payment, was £nil.

With effect from 1 April 2011, Foresight Group CI Limited ('Foresight Group') has been appointed as the investment manager in place of Acuity Capital. In addition, Foresight Fund Managers Limited has been appointed as the company secretary in place of Acuity Capital.

Under the previous management agreement, the Board was required to give one year's notice to Acuity Capital to terminate the agreement. The Board entered into a termination agreement with Acuity Capital on 1 April 2011 (the 'Termination Agreement') pursuant to which the Company has agreed to pay Acuity Capital £280,500 in phased payments and £11,656 per quarter for three quarters for its work to ensure a smooth handover to Foresight Group and has agreed to redeem the £51,150 of outstanding loan notes issued to Acuity Capital's employees.

The terms of the 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 12 months from 7 March 2011 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 £69,937 per annum, which will rise in line with RPI. At 31 March 2011, the amount due to Foresight Group was £nil.

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

Shareholder Information

Dividends

Interim dividends are ordinarily paid to shareholders in June. Final dividends are ordinarily paid to shareholders in February. 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 Registrars (see over for details).

Share price

The Company's Ordinary 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, under the signature of the registered holder.

Trading shares

The Company's Ordinary Shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange via a stockbroker. The primary market maker for Acuity VCT 3 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
March 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

Contact Foresight Group, for Acuity VCT 3 plc:

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

Acuity VCT 3 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 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.

Acuity VCT 3 plc
ECA Court
South Park
Sevenoaks
Kent
TN13 1DU

Corporate Information

Directors
Stuart Stradling (Chairman)
Kevin D'Silva
David Hurst-Brown
Nicholas Ross (resigned 25 March 2011)

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

Registered Office and Investment Manager
Foresight Group CI Limited
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La Plaiderie
St. Peter Port
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Auditors and Tax Advisers
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20 Castle Terrace
Edinburgh
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VCT Status Advisers
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

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

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

Registered Number
05544383

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 471800)

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