



**Unaudited Half-Yearly Financial Report**  
for the six month period ended 31 August 2010

# Foresight 4 VCT

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## Objective

To provide private investors with attractive returns from a portfolio of investments in fast-growing unquoted companies in the United Kingdom. It is the intention to maximise tax-free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains arising from trade sales or flotations.

## VCT Tax Benefit for Shareholders beyond 6 April 2006

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

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

Website: [www.foresightgroup.eu](http://www.foresightgroup.eu)

### I Summary

- Net asset value per Ordinary Share as at 31 August 2010 displayed upward momentum, moving to 104.1p compared to 99.0p as at 28 February 2010.
- An interim dividend of 5.0p per share will be paid on 4 February 2011.
- The Company made ten follow-on investments totalling £1,183,711.
- Cash proceeds of £373,008 were received via loan repayments from two investments.
- The linked offer with Foresight 3 VCT raised gross proceeds of £17.0 million between its launch in October 2009 and its close on 4 May 2010, of which the Company's share was £8.5 million. Of the £17.0 million raised in total, £10.5 million was raised in the current year, of which the Company's share was £5.27 million.

	Six months ended 31 August 2010	Year ended 28 February 2010
Net asset value per Ordinary Share	<b>104.1p</b>	99.0p
Net asset value per Ordinary Share (including all dividends paid)	<b>186.4p</b>	181.3p
Share price per Ordinary Share	<b>90.5p</b>	85.0p
Share price total return per Ordinary Share (including all dividends paid)	<b>172.8p</b>	167.3p

## Contents

Chairman's Statement	01	Unaudited Balance Sheet	09
Investment Summary	04	Unaudited Reconciliation of Movements in Shareholders' Funds	09
Unaudited Half-Yearly Results and Responsibility Statements	07	Unaudited Cash Flow Statement	10
Unaudited Income Statement	08	Notes to the Half-Yearly Financial Report	11
		Shareholder Information	13

# Chairman's Statement

## I Introduction

In this, my first communication to shareholders since my recent appointment as Chairman, I am pleased to be able to report sound progress in the development of the investment portfolio.

I am pleased to report that between 28 February 2010 and 31 August 2010, the net asset value of the Ordinary Shares increased by 5.2% to 104.1p per share. The current performance of several of the unquoted investments within the portfolio both in terms of revenues and profits generated has improved over the six months under review. A significant amount of this improvement can be attributed to export driven growth, principally to the US and Europe. Furthermore, the order books of several portfolio companies give the Manager cause for optimism for the latter half of the current year and that the recent positive portfolio performance can be maintained.

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

An interim dividend of 5.0p per share for the year ending 28 February 2011 will be paid on 4 February 2011. The Company's policy is to maximise the level of tax-free dividends generated either from income or from capital profits realised on the sale of investments.

## I Portfolio Review

The performance of a number of portfolio companies continued to improve, reflecting growing demand and strong sales pipelines.

Diagnos develops and sells sophisticated automotive diagnostic software and hardware to independent mechanics and garages to allow them to service and repair vehicles. The investment in Diagnos was made in February 2009. For the period 20 February 2009 to 31 December 2009, Diagnos produced an operating profit of £1.48 million on sales of £5.49 million. It is continuing to grow sales and profits in its current financial year and on 1 July 2010 took an important step forward by acquiring its previously independently-owned US distributor.

Trilogy Communications is continuing to build partnerships with large international defence companies and its order book and pipeline of sales opportunities has continued to grow. The company's financial year for 2010/11 has started very strongly and both its broadcast and defence divisions are ahead of plan. The company's order book is strong and the outlook for the remainder of the year is very positive.

Having recovered from a fire in late 2009, Closed Loop Recycling continues to make solid operational, commercial and revenue progress with production rates at record levels, processing 100 tonnes per day and producing material of a particularly high quality. The capex work, associated with the equipment replacement and upgrade to both replace fire damaged equipment and optimise the plant, has been successfully completed. Closed Loop is currently generating revenues in excess of £1 million per month.

Adepra generated strong growth in North America and Europe for its call centre automation systems and handles over 2 million calls per day currently made in 11 countries from its five data centres Worldwide. For the year to 31 December 2009 sales increased by 68% to £20.5 million, generating a maiden profit of £656,000. For the sixth year, Adepra was listed as one of the UK's fastest growing technology companies in The Sunday Times Microsoft Tech Track 100.

Ixaris continues to see strong growth in its core business of virtual Visa cards, which remains Europe's most successful virtual card programme. The company is investing heavily in its unique open payments platform that lets businesses create and run their own payment applications, enabling payment innovation by greatly reducing the cost, complexity and time needed to bring them to market.

TFC Europe, which distributes technical fasteners, reported an operating profit of £951,000 on sales of £10,000,000 in the year ended 31 March 2010. It is continuing to perform well in its current financial year.

Global Immersion, which provides visualisation systems for planetariums and the immersive theatre market produced its first operating profit (unaudited) in its financial year ended 30 June 2010. It has started its new financial year with a healthy order book and has a number of other potential projects in its pipeline.

Across all of the portfolio companies the Manager has, where appropriate, ensured management are focused on cash conservation and cost reductions in light of the recession and, as yet, fragile economic recovery.

## I Investment Activity

Over the last two years, as a result of tougher trading and credit conditions, the number of follow-on investments has increased. In part, this has reflected the need for additional working capital as a result of lower trading and reduced bank credit lines and overdrafts but also funding for growth.

## Chairman's Statement continued

### 4

The Company made ten follow-on investments totalling £1,183,711 in the period. These were O-Gen Acme Trek (£512,404), @Futsal (£141,977), Closed Loop Recycling (£140,000), SkillsMarket (£128,456), The Bunker Secure Hosting (£77,040), Trilogy Communications (£62,500), Land Energy (£48,808), Amberfin Holdings (£40,688), alwaysON (£20,020) and i-plas Group (£11,818).

The investment in O-Gen Acme Trek of £512,404 (£1.22 million total investment) resulted from delays in achieving full commissioning of the underlying plant and to provide ongoing working capital for the company.

A planned second tranche of funds was invested into @Futsal to develop its existing capacity in Swindon and to commission a new super-arena in Birmingham. This should enable the business to reach a scale where it can operate profitably and generate cash, as well as prove the concept and viability of the super arena model.

Foresight 4 VCT invested a further £128,456 into SkillsMarket to fund the operational costs associated with the turnaround strategy which was successful.

The company successfully launched a new web-based, Software as a Service (SaaS) product, iProfile Recruiter Account, at the start of the year and is now focusing its efforts on growing the sales of the new product and early indications are that the product is proving to be popular within the company's target markets.

The investment in i-plas Group of £11,818 was a small secondary purchase of shares. i-plas Group (formerly Lynwood Group Holdings), produces building products in an area of plastics recycling which has significant growth potential.

The Bunker Secure Hosting continues to win new orders, grow its recurring annual revenues, and is now generating substantial profits. Foresight 4 provided further funds (£77,040) for hardware infrastructure improvements to support the company's growth in high value managed services.

### I Realisations

Despite the difficult underlying economic conditions there were loan repayments during the period totalling £373,008 from two investee companies:

Datapath Holdings, following continuing good results and positive cash flow generation, repaid £340,908 of loan stock during the year and SkillsMarket (£32,100) repaid a short-term loan following a further funding round.

### I Dividend

The Company's dividend policy is to aim to distribute to shareholders a steady flow of dividends from income and realised capital gains. Reflecting recent realised gains and income generated from loan stock, an interim dividend of 5.0p per share for the year ending 28 February 2011 will be paid on 4 February 2011 compared with 5.0p in 2009, making 27.5p per share of cumulative dividend payments in the last five years. The record date of the dividend will be 28 January 2011 and the ex-dividend date will be 26 January 2011.

### I Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital (IPEVC) valuation guidelines (September 2009) developed by the British Venture Capital Association and other organisations. Through these guidelines investments are valued as defined at 'fair value'. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period. Quoted investments and investments traded on AIM and PLUS are valued at the bid price as at 31 August 2010. The portfolio valuations are prepared by Foresight Group, as investment manager, and are subject to approval by the Board.

### I Share Issues and Share Buy-backs

I am pleased to report that the linked offer with Foresight 3 VCT plc, launched on 15 October 2009, proved to be popular with investors, raising £17.0 million between the two VCTs up until its close on 4 May 2010. From 1 March 2010 until the offer closed on 4 May, 5,348,100 shares were issued in the Company at prices ranging from 100.0p to 101.0p representing gross proceeds of £5.27 million.

These new funds will enable the Company to remain an active investor in the current market and take advantage of new opportunities.

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

## Chairman's Statement continued

It continues to be the Company's policy to consider purchasing shares in the market when they become available in order to help provide liquidity for the Company's shareholders. During the period, the Company repurchased 258,037 shares at a cost of £231,640 representing an average discount of 12.5% to net asset value.

### **I Change of Year-end Date**

In order to coincide with the quarterly reporting cycles of investee companies and the valuation processes of the other Foresight VCTs co-investing alongside Foresight 4 VCT, the Board has decided to alter the Company's year-end to 31 March 2011 (from 28 February 2011). This will mean a 13 month 'year' in the current reporting cycle but will have no other impact on shareholders.

### **I Directorate Change**

As a public listed company, Foresight 4 VCT plc is required to comply with the regulations of the UK Listing Authority ("UKLA"). As a result, certain changes to the existing Board were required prior to the introduction of new UKLA regulations on Board independence which came into effect on 28 September 2010.

As Bernard Fairman was Foresight Group's representative on the Board, he was deemed not to be independent. He therefore stepped down from the Board on 18 June 2010. Additionally, because Peter Dicks was Chairman of a number of trusts managed by Foresight Group, he was also deemed not to be independent and thus he resigned as our Chairman on 30 July 2010 but remains as a Director. I was appointed as Chairman on the same day. Foresight Group continues unchanged as our Investment Manager.

I would like to thank Peter for all of his hard work in his role as Chairman and Bernard for his contribution as a Director, since their appointments in 2004.

### **I Outlook**

The recovery in the underlying trading of many portfolio companies has benefitted, to varying degrees, from the positive export conditions created by a weaker currency and reflects better than expected growth in portfolio companies' target markets. We remain optimistic about the current prospects and outlook for many portfolio companies, which continue to display strong order books and revenue and profit growth but this is tempered by continuing macroeconomic uncertainties that could lead to a double dip recession or prolonged period of low growth.

Although there has been very little portfolio activity in terms of purchases or sales over the last six months, we are witnessing potential acquirers slowly returning to the market following two years of economic fragility. Additionally, Foresight Group is seeing its dealflow of new investment opportunities increasing but we remain cautious about the economic outlook and will aim to invest only in new opportunities which seem robust. The Board and Investment Manager are, therefore, hopeful that the positive current performance of the portfolio will translate into realisations over the coming months and will, over the medium term, be reflected in the net asset value performance and distributions.

### **Philip Stephens**

Chairman  
28 October 2010

## Investment Summary

4

Investment	31 August 2010			28 February 2010	
	Amount invested £	Valuation £	Valuation Methodology	Amount invested £	Valuation £
Closed Loop Recycling Limited	2,900,417	2,850,417 *	Price of recent funding round	2,760,417	2,710,417
O-Gen Acme Trek Limited	2,554,999	2,675,657 *	Price of recent funding round	2,042,595	2,163,253
The Bunker Secure Hosting Limited	1,018,248	2,555,493 *	Discounted revenue multiple	941,208	2,498,618
Datapath Holdings Limited	181,819	2,533,806 *	Discounted price/earnings multiple	522,727	2,932,477
Diagnos Holdings Limited	1,000,000	2,519,587 *	Discounted price/earnings multiple	1,000,000	2,236,584
TFC Europe Limited	750,000	1,828,323 *	Discounted price/earnings multiple	750,000	1,343,866
ZOO Digital Group plc (AIM listed)	1,150,000	1,352,538 *	Bid price	1,150,000	1,022,692
Adepra Limited	1,283,272	1,283,272 *	Cost	1,283,272	611,416
Trilogy Communications Limited	887,500	1,212,500 *	Discounted revenue multiple	825,000	685,181
Evance Wind Turbines Limited (formerly Iskra Wind Turbines Limited)	1,447,203	723,602 *	Price of recent funding round less impairment	1,447,203	1,283,334
Ixaris Systems Limited	750,000	703,406	Discounted revenue multiple	750,000	632,017
Global Immersion Limited	533,338	626,143	Discounted revenue multiple	533,338	521,833
Sindicatum Carbon Capital Limited	200,063	525,100	Price of recent funding round	200,063	525,100
VectorCommand Limited	1,468,750	480,074	Discounted revenue multiple	1,468,750	480,074
Silvigen Limited	493,060	439,288	Price of recent funding round	493,060	439,288
i-plas Group Limited (formerly Lynwood Group Holdings Limited)	492,180	424,331	Price of recent funding round less impairment	480,362	413,695
Land Energy Limited	348,808	348,808	Price of recent funding round	300,000	300,000
O-Gen (UK) Limited	345,014	345,014	Cost	345,014	345,014
Infrared Integrated Systems Limited	250,005	338,091	Discounted price/earnings multiple	250,005	181,120
Probability plc (AIM listed)	450,000	262,006	Bid price	450,000	198,355
Snell Corporation Limited	223,817	223,817	Cost	223,817	223,817
@Futsal Limited	200,000	200,000	Price of recent funding round	58,023	58,023
alwaysON Group Limited	230,090	172,567	Cost less impairment	210,070	105,035
SkillsMarket Limited	824,742	152,405	Price of recent funding round	728,386	140,124
Aigis Blast Protection Limited	347,226	72,226	Discounted revenue multiple	347,226	72,226
Amberfin Holdings Limited	53,275	40,688	Price of recent funding round	12,587	24,000
Signum Technologies Limited	1,254,000	—	Nil value	1,254,000	—
	<b>21,637,826</b>	<b>24,889,159</b>		<b>20,827,123</b>	<b>22,147,559</b>

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

## Investment Summary continued

Top ten investments by value as at 31 August 2010 are detailed below:

### Closed Loop Recycling Limited

is the first plant in the UK to recycle waste PET and HDPE plastic bottles into food grade packaging material. Following a series of private and public funding issues, the 35,000 tonne capacity plant in Dagenham (East London) is now fully operational. The company is enjoying strong market demand and has now announced its second UK plant in North Wales. The company is processing 100 tonnes per day and supplying product to a range of customers including Nampak, Alpla, M&S and Britvic for the manufacture of food packaging, drinks bottles and milk bottles.



### O-Gen Acme Trek Limited

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



### The Bunker Secure Hosting Limited

provides ultra secure IT data centre and managed services to companies from owned and leased facilities totalling 41,500 square feet in bunkers previously constructed for military use at Ash, Kent, Greenham Common and Bawdsey, Lincolnshire. With particular expertise in Open Source and Microsoft software and systems, web and digital security, The Bunker builds, hosts and manages ultra secure, high availability IT infrastructure platforms for its customers and provides secure co-location services to host customers' servers or back-up servers. The Bunker is highly regarded for its technical skills by its customers, which include top financial, telecoms and web-based businesses, concerned with data security who have made the decision to outsource their mission critical IT systems. The Bunker continues to make good progress in increasing revenues from existing customers and winning new customers under term contracts which generate high visibility of future revenues. In the year to December 2009, sales increased by 34% to £5.2 million and the company is now generating substantial profits. In order to cope with growing demand, a major capital investment programme is currently being implemented. The Bunker was confirmed as one of the UK's fastest growing technology companies in The Sunday Times Microsoft Tech Track 100 in September 2010.



### Datapath Holdings Limited

is a UK manufacturer of PC-based multi-screen computer graphics cards and video capture hardware, specialising in video wall and data wall technology. Established in 1982, it has provided solutions for wide-ranging and varied applications including control rooms, financial dealing rooms, CCTV, distance learning, digital signage and business presentations.



### Diagnos Holdings Limited (trading as Autologic Diagnostics Limited)

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



## Investment Summary continued

4

**TFC Europe Limited**

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

**ZOO Digital Group plc (AIM listed)**

supplies workflow automation software and software led services to film studios and post-production firms. ZOO's software solutions include products to author home entertainment media across multiple platforms (e.g. DVD, Blu-Ray and iTunes) and regionalise marketing materials (e.g. bus wraps, posters) for product launches across multiple geographies. In 2007, ZOO acquired the authoring business of Scope Seven, providing an important base near key customers in California.

**Adepra Limited**

is headquartered in Reading with offices, service facilities and client implementations across Europe, North America and Asia Pacific. Adepra is the global market leader in automating key call centre customer interactions to reduce their cost and dramatically increase performance. Applications include fraud detection, payment reminders, collections, customer service and opt in marketing. By combining recorded dialogue with state of the art natural language to interact with individual customers, Adepra is able to make thousands of customer contacts simultaneously and achieves higher levels of portfolio penetration and produces significantly better results than human call centre agents alone. Customers include ten of the largest global retail banks, seven of North America's top ten financial institutions, nine of the ten top UK card issuers and major Australian banks. Increasing customer demand combined with substantial investment in R&D, product strategy, operations and service structure have resulted in 43% overall growth in annual sales from 2007 to 2010.

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

**Trilogy Communications Limited**

is a world class supplier of audio communications systems to the defence, emergency management, industrial and broadcast sectors. Trilogy counts some of the world's best known names in broadcast and defence among its customer base including the BBC, Sony, Radio France, Raytheon, Northrop Grumman and BAE. Trilogy's Mercury IP system continues to make good progress in the US defence market. During 2009, Trilogy won the Queen's Award for Enterprise in International Trade.

**Evance Wind Turbines Limited (formerly Iskra Wind Turbines Limited)**

is a manufacturer of high efficiency tree-sized wind turbines, suitable for volume manufacture, which have the best price/performance combination of any tree-sized turbine currently commercially available. The company continues to expand its distribution network and is well placed to benefit from the introduction of the feed-in tariffs for small-scale low carbon electricity.





# Unaudited Half-Yearly Results and Responsibility Statements

## I 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 28 February 2010 ('the Annual Report'). A detailed explanation can be found on page 12 of the Annual Report which is available on [www.foresightgroup.eu](http://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.

## I Directors' Responsibility Statement:

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

The Directors confirm to the best of their knowledge that:

- (a) the summarised set of financial statements has been prepared in accordance with the pronouncement on interim reporting issued by the Accounting Standards Board;
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);
- (c) the summarised set of financial statements give a true and fair view in accordance with UK GAAP of the state of affairs of the Company and of the profit and loss of the Company for that period and comply with UK GAAP and Companies Act 2006; and
- (d) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

## I Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review 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 considerable financial resources together with investments and income generated therefrom across a variety of industries and sectors. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

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

By order of the Board

**Philip Stephens**  
Chairman  
28 October 2010

# Unaudited Income Statement

for the six months ended 31 August 2010

4

	Six months ended 31 August 2010		Six months ended 31 August 2009		Year ended 28 February 2010	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
Investment holding gains	—	1,930	—	4,384	—	6,300
Realised gains/(losses) on investments	—	10	—	(3,342)	—	(4,181)
Income	476	—	323	—	697	—
Investment management fees	(99)	(298)	(75)	(225)	(155)	(467)
Other expenses	(160)	—	(139)	—	(279)	—
<b>Return on ordinary activities before taxation</b>	<b>217</b>	<b>1,642</b>	<b>109</b>	<b>817</b>	<b>263</b>	<b>1,652</b>
Taxation	—	—	—	—	(74)	74
<b>Return on ordinary activities after taxation</b>	<b>217</b>	<b>1,642</b>	<b>109</b>	<b>817</b>	<b>189</b>	<b>1,726</b>
<b>Return per Ordinary Share</b>	<b>0.7p</b>	<b>5.2p</b>	<b>0.4p</b>	<b>3.4p</b>	<b>0.8p</b>	<b>6.9p</b>
						<b>7.7p</b>

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 August 2010

Registered Number: 03506579

	<b>As at 31 August 2010 (unaudited) £'000</b>	As at 31 August 2009 (unaudited) £'000	As at 28 February 2010 (audited) £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	24,889	19,656	22,148
Debtors: amounts receivable in more than one year	<u>1,028</u>	<u>544</u>	<u>760</u>
	<b>25,917</b>	20,200	22,908
<b>Current assets</b>			
Debtors: amounts receivable within one year	1,402	1,442	1,495
Money market and other deposits	6,452	1,438	1,940
Cash	<u>69</u>	<u>1,300</u>	<u>2,051</u>
	<b>7,923</b>	4,180	5,486
<b>Creditors: amounts falling due within one year</b>	<u>(459)</u>	<u>(73)</u>	<u>(1,681)</u>
<b>Net current assets</b>	<u>7,464</u>	<u>4,107</u>	<u>3,805</u>
<b>Net assets</b>	<u>33,381</u>	<u>24,307</u>	<u>26,713</u>
<b>Capital and reserves</b>			
Called-up share capital	321	242	270
Share premium account	20,411	12,312	15,425
Capital redemption reserve	1,840	1,833	1,837
Profit and loss account	<u>10,809</u>	<u>9,920</u>	<u>9,181</u>
<b>Equity shareholders' funds</b>	<u>33,381</u>	<u>24,307</u>	<u>26,713</u>
<b>Net asset value per Ordinary Share</b>	<u>104.1p</u>	<u>100.3p</u>	<u>99.0p</u>

## Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 August 2010

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 March 2010	270	15,425	1,837	9,181	26,713
Share issues in the period	54	5,219	—	—	5,273
Expenses on share issues	—	(233)	—	—	(233)
Repurchase of shares	(3)	—	3	(231)	(231)
Return for the period	—	—	—	1,859	1,859
<b>As at 31 August 2010</b>	<u>321</u>	<u>20,411</u>	<u>1,840</u>	<u>10,809</u>	<u>33,381</u>

# Unaudited Cash Flow Statement

for the six months ended 31 August 2010

4

	<b>Six months ended 31 August 2010 (unaudited) £'000</b>	Six months ended 31 August 2009 (unaudited) £'000	Year ended 28 February 2010 (audited) £'000
<b>Cash flow from operating activities</b>			
Investment income received	181	106	182
Deposit and similar interest received	23	12	14
Investment management fees paid	(388)	(288)	(614)
Secretarial fees paid	(62)	(45)	(85)
Other cash payments	(133)	(109)	(216)
<b>Net cash outflow from operating activities and returns on investment</b>	<b>(379)</b>	<b>(324)</b>	<b>(719)</b>
<b>Taxation</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Investing activities</b>			
Purchase of unquoted investments and investments quoted on AIM	(1,143)	(640)	(2,980)
Net proceeds on sale of unquoted investments	373	600	1,373
Net proceeds on deferred consideration	10	601	620
<b>Net capital (outflow)/inflow from investing activities</b>	<b>(760)</b>	<b>561</b>	<b>(987)</b>
<b>Equity dividends paid</b>	<b>—</b>	<b>—</b>	<b>(1,342)</b>
<b>Net cash (outflow)/inflow before financing and liquid resource management</b>	<b>(1,139)</b>	<b>237</b>	<b>(3,048)</b>
<b>Management of liquid resources</b>			
Subscription to money market	(4,512)	211	(511)
Redemption from money market	—	—	220
	<b>(4,512)</b>	<b>211</b>	<b>(291)</b>
<b>Financing</b>			
Proceeds of fund-raisings	4,298	1,000	5,580
Expenses of fund-raisings	(179)	(45)	(85)
Repurchase of own shares	(450)	(282)	(284)
	<b>3,669</b>	<b>673</b>	<b>5,211</b>
<b>(Decrease)/increase in cash</b>	<b>(1,982)</b>	<b>1,121</b>	<b>1,872</b>

# Notes to the Half-Yearly Financial Report

- 1** The unaudited half-yearly results have been prepared on the basis of accounting policies set out in the statutory accounts of the Company for the year ended 28 February 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 S436 of the Companies Act 2006 and the financial information for the six months ended 31 August 2010 and 31 August 2009 has been neither audited nor reviewed. Statutory accounts in respect of the period to 28 February 2010 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 August 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](http://www.foresightgroup.eu).

**4 Net asset value per share**

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

	<b>Net assets £'000</b>	<b>Number of Shares in Issue</b>
31 August 2010	33,381	32,060,833
31 August 2009	24,307	24,237,663
28 February 2010	<u>26,713</u>	<u>26,970,770</u>

**5 Return per share**

	<b>Six months ended 31 August 2010 (unaudited) £'000</b>	Six months ended 31 August 2009 (unaudited) £'000	Year ended 28 February 2010 (audited) £'000
Total return after taxation	<b>1,859</b>	926	1,915
<b>Total return per Ordinary Share</b> (note a)	<b>5.9p</b>	<u>3.8p</u>	<u>7.7p</u>
Revenue return from ordinary activities after taxation	<b>217</b>	109	189
<b>Revenue return per Ordinary Share</b> (note b)	<b>0.7p</b>	<u>0.4p</u>	<u>0.8p</u>
Capital return from ordinary activities after taxation	<b>1,642</b>	817	1,726
<b>Capital return per Ordinary Share</b> (note c)	<b>5.2p</b>	<u>3.4p</u>	<u>6.9p</u>
Weighted average number of shares in issue in the period	<b>31,463,140</b>	<u>24,318,461</u>	<u>24,879,997</u>

Notes:

- a) Total return per Ordinary Share is total return after taxation divided by the weighted average number of shares in issue during the period.
- b) Revenue return per Ordinary Share is revenue return after taxation divided by the weighted average number of shares in issue during the period.
- c) Capital return per Ordinary Share is capital return after taxation divided by the weighted average number of shares in issue during the period.

Notes to the Half-Yearly Financial Report *continued*

4

**6 Income**

	<b>Six months ended 31 August 2010 (unaudited) £'000</b>	Six months ended 31 August 2009 (unaudited) £'000	Year ended 28 February 2010 (audited) £'000
Loan stock interest	451	313	685
Overseas based Open Ended Investment Companies ("OEICs")	13	8	10
Bank deposits	12	2	2
	<u>476</u>	<u>323</u>	<u>697</u>

**7 Investments at fair value through profit or loss**

	<b>Quoted £'000</b>	<b>Unquoted £'000</b>	<b>Total £'000</b>
Book cost at 1 March 2010	1,600	19,226	20,826
Investment holding (losses)/gains	(379)	1,701	1,322
	<u>1,221</u>	<u>20,927</u>	<u>22,148</u>
Valuation at 1 March 2010	1,221	20,927	22,148
Purchases at cost	—	1,184	1,184
Disposal proceeds	—	(373)	(373)
Investment holding gains	393	1,537	1,930
	<u>1,614</u>	<u>23,275</u>	<u>24,889</u>
<b>Valuation at 31 August 2010</b>	<b>1,614</b>	<b>23,275</b>	<b>24,889</b>
Book cost at 31 August 2010	1,600	20,037	21,637
Investment holding gains	14	3,238	3,252
	<u>1,614</u>	<u>23,275</u>	<u>24,889</u>
<b>Valuation at 31 August 2010</b>	<b>1,614</b>	<b>23,275</b>	<b>24,889</b>

**8 Related parties**

Foresight Group, as investment Manager of the Company, is considered to be a related party by virtue of its management contract with the Company. During the period, services of a total value of £397,000 (31 August 2009: £300,000; 28 February 2010: £622,000) were purchased by the Company from Foresight Group. At 31 August 2010, the amount due to Foresight Group was £15,000.

Foresight Fund Managers Limited, as Secretary of the Company and as a subsidiary of Foresight Group, is also considered to be a related party of the Company. During the period, services of a total value of £35,000 excluding VAT (31 August 2009: £34,000; 28 February 2010: £70,000) were purchased by the Company from Foresight Fund Managers Limited. At 31 August 2010, the amount due to Foresight Fund Managers was £nil.

No Director has, or during the period had, a contract of service with the Company. Bernard Fairman, who resigned on 18 June 2010, is the ultimate beneficial owner of Foresight Group, the Company's investment Manager. Subject to these exceptions, 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 December. Final dividends are ordinarily paid to shareholders in July. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a Mandate Form for this purpose. Mandates can be obtained by telephoning the Company's registrar, Computershare Investor Services plc (see over for details).

## Share price

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

## Notification of change of address

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

## Trading shares

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

Investments in VCTs should be seen as a long-term investment and shareholders selling their shares within five years of original purchase (three years pre-6 April 2006) 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

June 2011	Announcement of annual results for the year ended 28 February 2011
June 2011	Posting of the Annual Report for the year ended 28 February 2011
July 2011	Annual General meeting
October 2011	Announcement of Half-yearly Financial Results for the six months to 31 August 2011

## Enquiries

Contact Foresight Group for Foresight 4 VCT plc:

Telephone: 01732 471800

Fax: 01732 471810

e-mail: [info@foresightgroup.eu](mailto:info@foresightgroup.eu)

website: [www.foresightgroup.eu](http://www.foresightgroup.eu)

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



## Corporate Information

### **Directors**

Philip Stephens (Chairman) (appointed 30 July 2010)  
Peter Dicks  
Roger Brooke  
Bernard Fairman (resigned 18 June 2010)

### **Company Secretary**

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

### **Registered Office and Investment Advisers**

Foresight Group  
ECA Court  
South Park  
Sevenoaks  
TN13 1DU

### **Auditors and Tax Advisers**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

### **Contact Numbers**

- Registrar's Shareholder Helpline — Computershare (0870 703 6292)
- General and Portfolio Queries — Foresight Group (01732 471800)

### **Solicitors and VCT Status Advisers**

Martineau  
No. 1 Colmore Square  
Birmingham  
B4 6AA

### **Registrar**

Computershare Investor Services plc  
PO Box 82  
The Pavilions  
Bridgwater Road  
Bristol  
BS99 6ZZ

### **Registered Number**

03506579