Foresight VCT plc

Foresight 4 VCT plc
Company number: 03506579

Unaudited Half-Yearly Financial Report
for the six month period ended 30 September 2013

Foresight 4 VCT plc

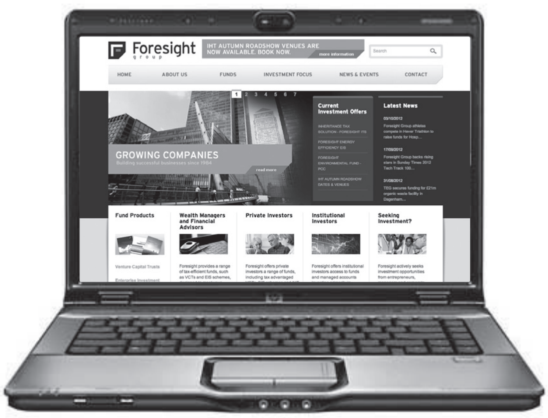
Objective

Ordinary Shares

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.

C Shares

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 funds in a portfolio of qualifying investments.



For further information go to
www.foresightgroup.eu

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

Ordinary Share Fund

- Net asset value per Ordinary Share at 30 September 2013 increased by 8.5% to 90.7p compared to 87.3p as at 31 March 2013, after adjusting for the interim dividend of 4.0p per share paid on 26 April 2013.
- The fund made three new and six follow-on investments totalling £2,126,404.
- Proceeds of £88,413 were received from one investment.

C Share Fund

- Net asset value per C Share at 30 September 2013 decreased by 33.4% to 63.8p compared to 95.8p at 31 March 2013.
- The fund made three new and four follow-on investments totalling £3,420,164.
- Proceeds of £3,675,150 were received from three investments.

Contents

	Six months ended 30 September 2013		Year ended 31 March 2013	
	Ordinary Shares	**C Shares**	Ordinary Shares	C Shares
Net asset value per share	**90.7p**	**63.8p**	87.3p	95.8p
Net asset value per share (including all dividends)*	**187.0p**	**63.8p**	179.6p	95.8p
Share price per share	**71.0p**	**42.0p**	82.6p	64.0p
Share price total return per share (including all dividends paid)*	**167.3p**	**42.0p**	174.9p	64.0p

* Since the date of the merger on 6 February 2012 for the C Shares Fund

Chairman's Statement

"The Board remains cautious about the general outlook, although it is encouraged by the recent signs of improvement in the UK economy and the NAV improvement of the Ordinary Shares, underpinned by the performance of the private equity portfolio"

Philip Stephens Chairman

Performance

The six months under review has seen an improvement in the wider UK economic climate and general business confidence. These positive signs have been matched by a considerable increase in activity in the Mergers and Acquisition markets, which we hope will result in realisations from the current portfolio. Although stock markets in both the UK and US are trading near record levels and the IPO market has seen the largest number of new issues for several years, significant economic uncertainties remain, such as unresolved issues in the Eurozone and the overall level of Government debt.

The private equity portfolio has benefited from the recent economic upturn, both in the UK and in traditional export markets. Foresight does, however, expect improved underlying economic conditions and business confidence to lead to increased price competition for several portfolio companies as companies take on more risk to gain market share as market conditions improve.

Against this background, I can report that the net asset value of the Ordinary Share portfolio as at 30 September 2013 increased by 8.5% to 90.7p (31 March 2013: 87.3p), after adjusting for the interim dividend of 4.0p per share paid on 26 April 2013. The C Share portfolio net asset value as at 30 September 2013 decreased by 33.4% to 63.8p (31 March 2013: 95.8p).

The Ordinary Shares portfolio benefited from the good performance of several investments, most notably Datapath and TFC Europe, both of which again achieved record sales and profits, as well as Ixaris. Together these three companies generated a valuation increase of £3.3 million. Closed Loop also made good progress, which was in contrast to the more difficult trading conditions experienced by Evance Wind Turbines, Autologic Diagnostics and Vectorcommand.

Encouragingly, some of the recent investments, such as Aerospace Tooling, Flowrite Refrigeration and Procam Television, all of which are in both the Ordinary and C Share funds, are already showing considerable promise. All of these investments are traditional private equity investments and are representative of the Board and Foresight Group's objective of focusing on private equity investments to drive future performance gains.

Clearly, the appointment of administrators of The Fin Machine Company, announced on 22 August 2013, has had a material negative impact on the NAV of the C shares which has decreased to 63.8p per C share from 95.8p per C share six months earlier. The Fin Machine Company has been the subject of a long and difficult turnaround attempt since Foresight took over full management responsibility for this former Acuity investment from the previous Manager, Acuity Capital Management, on 1st April 2011. In summary, the full extent of the historic problems, when combined with the volatility of the company's large working capital requirement, were such that the C Share class could no longer justify providing further financial support to the Group.

Despite this significant setback in the C share portfolio, the majority of the remaining companies are attractive businesses with growing revenues and profits and the Board and Foresight Group are optimistic for the prospects of the remaining C Share portfolio.

Share issues and share buy-backs

As a result of a small top-up offer launched on 3 December 2012, a total of 401,724 new Ordinary Shares have been allotted based on net asset values ranging from 84.0p to 92.6p per share, raising £0.4 million.

It continues to be the Board's policy to consider repurchasing existing shares when they become available in order to provide a degree of liquidity for the sellers of the Company's shares. During the period, the Company repurchased 150,000 Ordinary Shares for cancellation at a cost of £0.1 million.

Enhanced buyback

I am pleased to report that the take up by shareholders of the enhanced buyback offer to shareholders was significant with shareholders representing 2,277,357 Ordinary Shares and 2,171,768 C Shares taking up the offers between April 2013 and June 2013. As a result of this transaction, 2,210,460 Ordinary Shares and 2,107,932 C Shares were issued

Valuation policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines (December 2012) 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 ISDX Growth Market (formerly PLUS) are valued at the bid price as at 30 September 2013. The portfolio valuations are prepared by Foresight Group, reviewed and approved by the Board quarterly and subject to annual review by the auditors.

Outlook

The Board remains cautious about the general outlook, although it is encouraged by the recent signs of improvement in the UK economy and the NAV improvement of the Ordinary Shares, underpinned by the performance of the private equity portfolio. The first priority is to support the existing portfolio where prospects justify further investment and to optimise realising gains from the disposal of successful investments. Over the medium term we are optimistic that realisations can be achieved, possibly through trade sales as many large companies currently have significant cash resources, paving the way to make further distributions to shareholders,

Philip Stephens
Chairman
29 November 2013

Investment Manager's Report

Manager's Commentary

Over the last few months, there has been a notable change in economic sentiment and encouraging signs of generally improving trading conditions across the Ordinary Share fund and C Share fund portfolios. We are hopeful that that the economic climate and business confidence in the UK will continue to improve, although this may well be gradual. The buoyant Stock Market and strength of the Mergers and Acquisition markets provide further evidence of returning confidence. Significant economic uncertainties remain, however, and confidence could still be knocked by unpredictable macroeconomic factors.

During the six month period to 30 September 2013, the Ordinary Share fund performed well overall, with the net asset value per Ordinary Share increasing by 8.5% to 90.7p from 87.3p per Ordinary Share at 31 March 2013, after adjusting for the interim dividend of 4.0p per share paid on 26 April 2013. Several investments performed strongly during the period, including Datapath Group, TFC Europe and Ixaris systems which together generated an increase in valuation of £3.3 million. Encouragingly, some of the recent investments, such as Aerospace Tooling Corporation, Flowrite Refrigeration Holdings and Procam Television Holdings are already showing considerable promise. Closed Loop Recycling made good progress, which was in contrast to the more difficult trading conditions experienced by Evance Wind Turbines, Autologic Diagnostics Group and Vectorcommand.

The otherwise good performance of the C Share fund during the period was marred by the failed turnaround at The Fin Machine Company, a legacy investment originally made by the previous manager and the largest single investment in the portfolio. Following the appointment of administrators on 21 August, this investment valuation of £6,709,000 was provided for in full, reducing the net asset value by 35.9p per C Share. In consequence, the net asset value per C Share as at 30 September 2013 fell to 63.8p, a reduction of 33.4% from 95.8p as at 31 March 2013, the Company's last year end. The nine other investments with a value in the C Share fund portfolio, of which three are legacy investments and six were made by Foresight over the last 18 months, are all trading well, particularly Aerospace Tooling Corporation, Flowrite, Hallmarq, Procam Television and Defaqto.

Foresight remains positive about the prospects for both portfolios overall and is focused on achieving realisations from the existing investments which should result in an increase in net asset value, facilitate shareholder distributions and provide additional funding for new investments. Portfolio company highlights are summarised in the following tables.

Portfolio review: Ordinary shares

1. Follow-on funding (including capitalised interest)

Company	
alwaysON Group Limited	£50,050
Autologic Diagnostics Group Limited (capitalised interest)	£49,062
Biofortuna Limited	£99,064
Flowrite Refrigeration Holdings Limited (capitalised interest)	£4,503
The Bunker Secure Hosting Limited*	£463,790
Trilogy Communications Holdings Limited	£109,935
Total	**£776,404**

* Includes capitalised interest

2. New investments

Company	
Aerospace Tooling Corporation Limited	£600,000
Fire and Air Services Limited	£500,000
Procam Television Holdings Limited	£250,000
Total	**£1,350,000**

3. Exits

No exits were made by the Ordinary Share fund during the period.

4. Realisations

A total of 237,500 ordinary shares in AiM listed Probability plc were sold during the period, realising proceeds of £88,413. A further 297,500 such shares were sold after the period end, realising a further £138,473.

After the period end, the investment of £233,250 6% Unsecured Convertible Redeemable Loan note in AiM listed Zoo Digital Group was sold for £177,313 plus interest of £5,831.

5. Material provisions to a level below cost

Company	
Evance Wind Turbines Limited	£192,011
Total	**£192,011**

Portfolio review: C Shares

1. Follow-on funding (including capitalised interest)

Company	
Biofortuna Limited	£99,064
Connect2 Holdings Limited	£650,000
Flowrite Refrigeration Holdings Limited (capitalised interest)	£11,100
The Fin Machine Company Limited	£860,000
Total	**£1,620,164**

2. New investments

Company	
Aerospace Tooling Corporation Limited	£900,000
Fire and Air Services Limited	£500,000
Procam Television Holdings Limited	£400,000
Total	**£1,800,000**

3. Exits

No exits were made by the C Share fund during the period.

4. Realisations

Company	
Leisure Efficiency II Limited	£675,150
Leisure Efficiency III Limited	£2,000,000
Wholesale Efficiency II Limited	£1,000,000
Total	**£3,675,150**

A total of £3,675,150 was repaid by Leisure Efficiency II, Leisure Efficiency III and Wholesale Efficiency II to provide funds for the above new and follow-on investments.

5. Material provisions to a level below cost

Company	
The Fin Machine Company Limited	£6,709,000
Total	**£6,709,000**

The Fin Machine Company ("Fin")

Given the significant movement of the C Share Portfolio resulting from the failure of The Fin Machine Company, we have provided additional information on this investment below.

With more than 200 employees, Fin designed and manufactured capital equipment used to manufacture heat exchangers for the worldwide automotive and air conditioning markets. Fin's global customer base included a broad range of blue chip OEMs, automotive industry majors and Asian air conditioning companies. Fin had manufacturing facilities in Seaham, Co. Durham, in Tianjin, China, and an assembly/service centre in Indiana, USA. In any one year, Fin manufactured a relatively small number of machines, costing up to £1.5 million each, together with spares for its installed base of over 600 machines worldwide. To fund its working capital requirements, the company relied heavily on substantial stage payments from customers and a continuing flow of orders. For the year to 31 December 2012, the company incurred an unaudited EBITDA loss of £1.2 million on sales of £26.2 million, after charging exceptional costs of approximately £1.5 million, at which date it had net liabilities of over £11 million reflecting accumulated past losses. To meet the company's working capital requirements, a further £860,000 was invested in the period.

The proximate reason for the appointment of administrators was the serving of a winding-up order by HM Revenue & Customs at short notice relating to the company's failure to pay PAYE arrears, despite continuing negotiations to phase payments with HMRC. Considerable progress had been made by the company's new management team in effecting the turnaround. For example, the UK business' annual EBITDA losses reduced from £4.5 million for the year to 31 December 2010 to around breakeven over the six months to 30 June 2013. Various historic liabilities were resolved notably penalties for late delivery of machines and the cost of rectifying and commissioning already delivered machines. Production efficiency was improved and in introducing essential financial and production control systems had been implemented. Growing rumours and concerns about the company's weak financial position caused major customers to become increasingly reluctant over the last quarter to place new orders with Fin despite management's efforts to address these concerns. Within the last month, unexpected trading difficulties also came to light in the Chinese subsidiary which resulted in significant expected payments not being made to the parent company for tooling work done in the UK for shipment to China. Given the reliance on stage payments with new orders and an unexpected net cash outflow in China, the company's working capital position worsened rapidly. The Board appointed corporate financiers to seek additional sources of finance and potential acquirers but the untimely actions of HMRC cut short their work. On 21 August, administrators were appointed, necessitating a full provision of £6,709,000 being made against this investment.

In summary, since Foresight took over responsibility for this particularly badly managed investment in April 2011 and attempted to effect a turnaround, the full extent of the historic problems and liabilities became apparent which, when combined with the volatility of the

Investment Manager's Report continued

company's large working capital requirement, were such that the C Share fund could no longer justify providing further financial support to the company.

Portfolios outlook

With signs of generally improving economic conditions, Foresight remains positive about the prospects for both portfolios and is focused on achieving realisations from the existing investments to generate funds for dividends and re-investment. Although Foresight is now seeing a number of high quality investment opportunities, both funds have limited cash resources at present with which to make new investments.

Portfolio company highlights

In June 2013, the Ordinary Share fund invested £600,000 and the C Share fund invested £900,000 alongside other Foresight VCTs in a £3.5 million shareholder recapitalisation of Dundee based **Aerospace Tooling Corporation Limited**, a well established specialist engineering company providing repair, refurbishment and remanufacturing services to large international companies for components in high-specification aerospace and turbine engines. The company was founded in 2007 by the former CEO, John Seaton, who, following the transaction, has assumed the role of Executive Chairman. John Green, formerly General Manager of the Dundee facility, became Operations Director, alongside a newly appointed Finance Director and Business Development Director. With a heavy focus on quality assurance, the company enjoys strong relationships with companies serving the aerospace, military, marine and industrial markets. A number of recent orders have underpinned growth and profitability in the current financial year with profits forecast to increase significantly. **Held in Ordinary Share and C Share fund**.

Following a change of management at **alwaysON Group**, the turnaround of this data VPN/VOIP service provider made progress. For the year to 30 June 2013, the company incurred an EBITDA loss of £387k on sales of £2.9 million, after heavy investment in more staff and spending £335k on modernising its core network (cf. breakeven operating profit on sales of £2.7 million in 2012). To meet working capital requirements, a loan of £50,050 was advanced in August 2013, well over a year later than originally budgeted. The company is one of only two Tier 1 Microsoft partners in the UK focused on Microsoft's unified communications product, Lync, which serves the enterprise market. Market sentiment is currently quite strong and the company is building a network of partners and generating a significant pipeline of opportunities. A contract extension with a major customer combined with a growing sales pipeline are expected to underpin future profitability. **Held in Ordinary Share fund.**

AtFutsal Group provides facilities in three arenas for futsal, a fast growing type of indoor football with 30 million participants worldwide and the only type of indoor football recognised by the Football Association. The business has evolved so that its core focus is now on running education programmes for 16 to 18 year olds in conjunction with Football League clubs, educational establishments and training organisations. The company developed its own education software platform so that it can provide a number of educational services previously outsourced. For the current student year which commenced in September 2013, the company had registered 1,200 students on its futsal related courses, nearly double the number of students in the previous student year. The Birmingham and Swindon arenas have achieved targeted trading levels while the Leeds arena, which opened in August 2012, continues to underperform. Management is focused on developing new strategies for improving utilisation of the arenas to ensure that all are operating at cash break even or better. **Held in Ordinary Share fund.**

Following the £48 million secondary buy-out by ISIS Private Equity in January 2012, the Ordinary Share fund retained investments in equity and loan stock of £1.98 million in **Autologic Diagnostics Group**. Autologic Diagnostics Group continues to generate strong profits and for the year to December 2012 generated an EBITDA of £5.9 million on revenues of £17.2 million. As at 30 September 2013, the company had a healthy cash balance of more than £6 million. In recent months, Autologic has strengthened its management team. John Conoley replaced Peter Toland as CEO and has been joined by new Operations and Marketing directors. The company is underperforming budget for 2013, however, in large part reflecting a slowing in the sales of one-off hardware into the UK and European markets. The UK market is maturing and Europe has suffered from a relative lack of sales focus. The USA continues to perform well, largely driven by a well-structured sales effort. The new management team believes long-term value creation will be driven by transitioning to a subscription based business model with a greater proportion of recurring revenues. Such a move would possibly even see revenues and earnings dip before growth recovers. Over the longer term the quality of earnings should improve, helping to drive value. In September 2013, interest of £49,062 deferred under the terms of the loan agreement with Autologic was capitalised. **Held in Ordinary Share fund.**

Biofortuna, a molecular diagnostics business based in the Wirral, has developed unique expertise in the important area of enzyme stabilisation, effectively hi-tech freeze drying. Its first range of products, SSPGo, is a series of genetic compatibility tests for organ transplant recipients, although the breadth of application of the technology is extremely wide. Because of the company's stabilisation and freeze-drying technology, its products can be transported easily (in the post if needed) and stored at room temperature for up to two years. A £1.3 million funding round to fund capital expenditure and working capital was completed in August, in which £99,064 was invested by each of the Ordinary Share fund and the C Share fund. The company is progressing in a number of areas, including broadening its product range, increasing manufacturing capacity and improving internal processes. Following the success of FDA trials for its SSPGo product range, needed to make sales in the USA, Biofortuna is now making progress in obtaining FDA approval in the USA for this genetic testing product range. A recent manufacturing issue is being successfully addressed but has delayed output. The freeze-dried kit manufacturing service shows promise, with paid for feasibility studies and contract discussions occurring with a number of parties. **Held in Ordinary Share and C Share funds.**

In July 2012, the C Share fund invested £1.0 million in Northampton based **Blackstar Amplification Holdings** alongside £2.5 million from Foresight VCT to finance a management buy-out and provide growth capital. Blackstar Amplification Holdings was founded in 2004 by four senior members of the new product development team at Marshall Amplification to design and manufacture a range of innovative guitar amplifiers. Following commercial launch in 2007, sales grew rapidly, reflecting new product launches and entry into new markets, and a global brand was soon established. In its financial year to 30 April 2013, the company achieved an EBITDA of £394k on sales of £9.7 million, nearly twice that achieved in the previous year, and we are optimistic about further substantial growth in the future. Management is focused on product sell through in established markets while also increasing the company's presence in new, emerging markets, such as Asia and South America. The company currently has a presence in over 35 countries worldwide and its products are stocked in over 2,500 stores globally. Management is also focused on completing the portfolio of core amplifiers, whilst investigating brand extension into non-core markets. The new ID: Lite range of amplifiers, which will be the company's first products at the value end of the market, is expected to come to market in December 2013. **Held in C Share fund**.

In February 2013, **Closed Loop Recycling** concluded a major new supply contract and new customer contracts worth £17 million per annum. A total of £12.8 million loan finance was raised (of which £6 million was provided by the Foresight Environmental Fund) and will be used to double production capacity at the Dagenham plant. Facilities provided by Allied Irish Bank, the incumbent bank, were placed on to a term basis. The new sorting and production equipment has now been commissioned and full scale production utilising this additional capacity commenced in November. In consequence annual revenues are expected to double, principally through long-term supply contracts, and future profits are expected to increase substantially. Management is examining a number of avenues to improve profitability further. **Held in Ordinary Share fund**.

Connect2 Holdings, develops and publishes digital media entertainment on a range of devices, such as mobile phones and games consoles. This feature phone market is in structural decline, having been adversely impacted by the rapid growth of smartphones. A new management team was appointed during 2012 to stabilise the business and change the business model. In May 2012, a new CEO was appointed whose experience includes founding two US software companies and migrating from a B2C to a B2B business model. For the year to 31 December 2012, an EBITDA loss of £200,000 was incurred on sales of £3.1 million despite further cost reductions. Following an internal reorganisation, new revenue streams and efficiencies have been identified which are expected to return this division into an EBITDA positive position.

The company is now developing a Cloud based game development and publishing technology platform ("Game Brain") to provide game developers with software tools that support their development, distribution and discovery requirements. Provided as a highly scalable Platform as a Service (PaaS), developers will pay monthly subscriptions for access to infrastructure and services, thereby generating recurring revenues. In April 2013, as part of a £1 million funding round to support this change in strategy, the C Share fund invested a further £650,000. The Beta version has recently been launched, to be followed by commercial launch in early 2014. **Held in C Share fund**.

Derby based **Datapath Group** is a world leading innovator in the field of computer graphics and video-wall display technology utilised in a number of international markets. The company is increasing its market share in control rooms, betting shops and signage and is entering new markets. For the year ended 31 March 2013, an unaudited record operating profit of £5.1 million was achieved on sales of £14.1 million (compared to £4.5 million on sales of £12.1 million in 2012). The company is continuing its strong growth in the current year to 31 March 2014, with record profits and sales being achieved to date, supporting an increase in valuation during the year. **Held in Ordinary Share fund**.

For the year to 31 March 2013, **Defaqto** returned to substantial profitability, achieving an unaudited EBITDA of £756,000 on sales of £7.2 million. This compares with the previous year, when an operating loss of £937,000 was incurred on sales of £8.3 million, after heavy investment in new product development. In the current year, the company is trading ahead of budget over the same period last year. A new Chairman was appointed in January 2013. The CEO, appointed in July 2012, has improved operational efficiency by focusing on tangible and financial metrics and the company is entering the star rating season with positive indications, including comparison websites and significant trials with several major UK companies serving consumer markets. With Engage v4, management is working to reverse the trend of declining revenues from financial intermediaries. **Held in C Share fund.**

Evance Wind Turbines, which manufactures 5kW tree sized (up to 50 feet) wind turbines, enjoyed strong sales growth during 2012, driven primarily by the introduction of the UK Feed in Tariff regime. Both sales and profits grew well in the year to 31 March 2013, the company delivering its 1,500th machine and achieving an operating profit of £354,000 on sales of £8.6 million (£222,000 on sales of £7.25 million in 2012, over three times the level of sales in the previous year). The reduction in the Feed in Tariff, however, from 1 October 2012, combined with a noticeable tightening and lengthening of the planning permission process nationally, has adversely affected orders and sales, such that the company is currently making significant losses. To address this, costs have been reduced substantially with sales efforts now focused overseas and in the UK corporate market. **Held in Ordinary Share fund**.

In August 2013, the Ordinary Share fund and C Share fund each invested £500,000 alongside other Foresight VCTs in a £2.5 million

Investment Manager's Report continued

shareholder recapitalisation of Stockport based **Fire and Air Services**, a hard facilities management provider which designs, installs and services air conditioning and fire sprinkler systems for retail, commercial and residential properties through a national network of engineers. The company focuses primarily on the retail sector and enjoys long-term customer relationships and multi-year preferred supplier contracts with various blue chip high street retailers, giving good visibility on revenues. Two recent acquisitions provide access to new customer relationships and the commercial real estate sector. **Held in Ordinary Share and C Share funds**.

In May 2012, the Ordinary Share fund and the C Share fund invested £200,000 and £492,500 respectively in **Flowrite Refrigeration Holdings** alongside other Foresight VCTs to finance the £3.2 million management buyout of Maidstone based Flowrite Services Limited, which provides refrigeration and air conditioning maintenance services nationally, principally to leisure and commercial businesses such as hotels, clubs, pubs and restaurants. For the year to 31 October 2012, the company achieved an operating profit of £852,000 on sales of £7.9 million. Management has accelerated sales efforts, won a number of significant new contracts and new customers and also reviewed several potential acquisitions with the aim of broadening its national coverage. In the year to 31 October 2013, reflecting a particularly busy summer, the company traded well ahead of budget and has repaid much of the buy out bank debt finance. In September 2013, interest of £4,503 deferred under the terms of the loan agreement was capitalised in the Ordinary Share fund and £11,100 in the C Share fund. **Held in the Ordinary Share and C Share funds.**

Guildford based **Hallmarq Veterinary Imaging** is the only manufacturer of MRI systems for the standing equine market, with over 64 MRI scanners in use at equine practices throughout the world. For the year ended 31 August 2013, the company achieved a record EBITDA of £1.3 million on sales of £3.8 million, ahead of budget (compared to EBITDA of £1.2 million on sales of £3.3 million in 2012). Having invested heavily in developing its PetVet scanner (an MRI scanner for the companion animal market (i.e. cats and dogs)), the first sale has now been made and the company is building a growing sales pipeline for this new scanner which addresses much larger worldwide markets than the company's equine scanner. The budget for the current year is challenging in terms of growth, but the year has started well. **Held in C Share fund**.

Ixaris Systems has developed and operates Entropay, a global prepaid payment service using the VISA network, as well as offering its new Opn product on a 'Platform as a Service' basis that enables enterprises to develop their own customised global applications for payments over various payment networks. Sales of Opn are strong with a growing pipeline. Ixaris charge a small percentage of each transaction on the platform, thereby reducing the reliance on the gaming sector. This platform is being used by companies in the affiliate marketing and travel sectors and sales efforts are now also focusing on the international e-commerce and financial services sectors. In the year to 31 December 2012, an operating loss of £293,000 was incurred on sales of £8.4 million, reflecting continuing investment in software and systems. Trading in the current year to date is ahead of budget and the management team has been strengthened by the appointment of a new Chief Operating Officer, Marketing Director and Sales Director. **Held in Ordinary Share fund.**

A total of £3,675,150 was repaid in total during the period to the C Share fund by **Leisure Efficiency II, Leisure Efficiency III and Wholesale Efficiency II** to provide funds for new and further investments. **Held in C Share fund**.

Following a detailed strategic review in December 2011, the decision was made to mothball **O-Gen Acme Trek's** advanced gasification 3MW waste wood to energy plant in Stoke until the similar 3.8MW plant in Plymouth built by MITIE had validated this technology. Following a change in the ROC subsidy regime, O-Gen UK is currently working to redevelop the Stoke facility into an 8MW plant using alternative, well established standard gasification technology through a partnership with the selected technology provider and a major EPC contractor. Discussions are being held with potential funders. A full planning application was made to the Local Authority in October 2013 for this new plant. As a consequence, the 3MW plant has been decommissioned. **Held in Ordinary Share fund**.

O-Gen UK is a leading developer of waste wood gasification facilities in the UK and is near to financial close on the development of a £45 million project in Birmingham, having received planning permission and signed the relevant project documents. The company has developed a growing pipeline of similar opportunities at various stages of maturity, including three projects forecast during 2014 (including O-Gen Acme Trek's Stoke plant above). The company continues to develop relationships with a number of technology providers and major EPC contractors. O-Gen UK will not finance the construction of these plants but will benefit from project management fees, equity shareholdings and fuel, operation and maintenance contracts. **Held in Ordinary Share fund**.

A total of 237,500 ordinary shares in AiM listed **Probability plc** were sold during the period, realising proceeds of £88,413. A further 297,500 such shares were sold after the period end, realising a further £138,473. **Held in Ordinary Share fund**.

In April 2013, the Ordinary Share fund and the C Share fund invested £250,000 and £400,000 respectively alongside other Foresight VCTs in a £1.8 million round to finance a management buy-out of **Procam Television Holdings**. Procam is one of the UK's leading broadcast hire companies, supplying equipment and crews for UK location TV production to broadcasters, production companies and corporates for over 20 years. Headquartered in Battersea, London, with additional facilities in Manchester, Procam employs 70 people and has supported shows including Made in Chelsea, ITV's Splash, Watch's The Incredible Mr Goodwin, BBC2's The Great British Sewing Bee, Derren Brown and

The Great British Bake Off. It is a preferred supplier to BSkyB and an approved supplier for BBC and ITV. Over the last four years, following the introduction of new camera formats, revenues have doubled. The management buy-out team was led by current Managing Director John Brennan. The former CEO of Carlton Television, Clive Jones, has been appointed as Chairman. The company plans to gain greater market share by launching new facilities and services in the coming months. In September 2013, Procam acquired one of its competitors, Hammerhead, with facilities in London, Manchester, Edinburgh and Glasgow. This strategic acquisition will not only broaden the customer base and national coverage but also realise various synergistic benefits, and is expected to improve profits substantially. **Held in Ordinary Share and C Share funds**.

TFC Europe, a leading distributor of technical fasteners in the UK and Germany, performed well during the year to 31 March 2013, achieving record operating profits of £2.45 million on sales of £18 million (compared to an operating profit of £2.35 million on sales of £16.6 million in 2012). Trading to date in the current year continues to be strong and ahead of budget. In September, a small Scottish distribution business was acquired, thereby improving national coverage. A new warehouse has been established near Dusseldorf which is expected to result in increased sales and improved service to customers in Germany. Possible acquisition opportunities are also being evaluated to complement the existing business. **Held in Ordinary Share fund**.

Although **The Bunker Secure Hosting**, which operates two ultra secure data centres, continues to win new orders and generate substantial profits, sales growth has slowed, reflecting increased competition and higher than expected contract attrition rates. For the year to 31 December 2012, an EBITDA of £1.77 million was achieved on sales of £8.5 million, at which date recurring annual revenues were running at £8.8 million. In the current year, a slightly better performance is expected. To strengthen sales efforts, a number of new Cloud based services have recently been launched and the sales and marketing strategy is being reassessed. Investment continues in upgrading the existing infrastructure. In April 2013, the Ordinary Share fund purchased a number of shares from two minority shareholders for £128,200. In September 2013, interest of £335,590 deferred under the terms of the loan agreement was capitalised. **Held in Ordinary Share fund.**

Trilogy Communications Holdings achieved strong trading results in the two years to 29 February 2012, following a number of contract wins in the defence sector with partners such as Northrop Grumman and Raytheon. Trading in the year to 28 February 2013, however, was adversely affected by the deferral of certain expected orders under long-term defence programmes, particularly from the US, reflecting uncertainties about reductions in US defence spending. Specified annual reductions in such spending are now in place (the so called 'Sequester'). These factors resulted in Trilogy incurring substantial trading losses and further major cost reductions were implemented.

For the current year to 28 February 2014, after a particularly poor first quarter to 31 May, both orders and revenues have improved such that the company has been operating at EBITDA breakeven. The broadcast division is trading satisfactorily with a number of orders in prospect. **Held in Ordinary Share fund.**

Post the period end, on 31 October, the investment of £233,250 6% Unsecured Convertible Redeemable Loan note in AiM listed **Zoo Digital Group** was sold for £177,313 plus interest of £5,831.

David Hughes
Foresight Group
Chief Investment Officer
29 November 2013

Investment Summary

Ordinary Shares Portfolio

Investment	30 September 2013 Amount invested £	30 September 2013 Valuation £		Valuation Methodology	31 March 2013 Amount invested £	31 March 2013 Valuation £
Datapath Group Limited	73,250	9,956,745	*	Discounted price/earnings multiple	73,250	7,667,320
Closed Loop Recycling Limited	4,025,053	3,974,194	*	Price of recent funding round less impairment	4,025,053	3,774,128
The Bunker Secure Hosting Limited	2,134,267	4,114,158	*	Discounted revenue multiple	1,670,477	3,410,968
TFC Europe Limited	782,577	3,237,402	*	Discounted price/earnings multiple	782,577	2,471,267
Autologic Diagnostics Group Limited	2,181,367	2,979,895	*	Discounted price/earnings multiple	2,132,305	2,940,100
Ixaris Systems Limited	881,633	1,871,606	*	Price of recent funding round	881,633	1,653,116
Evance Wind Turbines Limited	1,745,910	872,955	*	Cost less impairment	1,745,910	1,064,966
Aerospace Tooling Corporation Limited	600,000	600,000	*	Cost	—	—
Fire and Air Services Limited	500,000	500,000	*	Cost	—	—
Zoo Digital Group plc (AIM listed)	1,126,634	493,468	*	Bid price	1,126,633	473,337
Trilogy Communications Holdings Limited	711,650	472,042		Discounted price/earnings multiple	601,715	422,914
O-Gen Acme Trek Limited	4,893,444	423,000		Cost less impairment	4,893,444	423,000
Biofortuna Limited	411,597	411,597		Cost	312,503	312,503
O-Gen (UK) Limited	345,014	408,000		Discounted cash flow	345,014	408,000
Sindicatum Carbon Capital Limited	200,063	393,825		Price of recent funding round less impairment	200,063	525,100
alwaysON Group Limited	420,240	385,987		Discounted revenue multiple	370,190	355,702
AtFutsal Limited	738,323	369,162		Cost less impairment	738,323	369,162
Flowrite Refigeration Holdings Limited	212,164	353,215		Discounted price/earnings multiple	207,661	265,356
VectorCommand Limited	1,468,750	307,793		Discounted revenue multiple	1,468,750	292,517
Procam Television Holdings Limited	250,000	250,000		Cost	—	—
Probability plc (AIM listed)	418,120	249,768		Bid price	598,026	507,236
Snell Corporation Limited	235,762	223,816		Cost less impairment	235,762	223,817
Amberfin Holdings Limited	115,583	89,665		Cost less impairment	115,583	89,665
Aigis Blast Protection Limited	347,226	—		Nil value	347,226	33,720
Crumb Rubber Limited	372,500	—		Nil value	372,500	—
Global Immersion Limited	533,338	—		Nil value	533,338	—
Silvigen Limited	777,763	—		Nil value	777,763	—
i-plas Group Limited	953,665	—		Nil value	953,665	—
Abacuswood Limited	954,593	—		Nil value	954,593	—
Vertal Limited	—	—		Dissolved	1,313,323	—
	28,410,486	**32,938,293**			**27,777,280**	**27,683,894**

* Top ten investments by value shown on pages 12 and 13.

Investment Summary
C Shares Portfolio

	30 September 2013				31 March 2013	
Investment	Amount invested £	Valuation £		Valuation Methodology	Amount invested £	Valuation £
Defaqto Group Limited	†3,890,945	4,015,250	*	Discounted revenue multiple	3,890,945	3,986,436
Blackstar Amplifications Holdings Limited	1,000,000	1,304,580	*	Discounted price/earnings multiple	1,000,000	1,290,000
Connect2 Holdings Limited	†1,591,850	1,144,636	*	Discounted revenue multiple	941,850	405,020
Aerospace Tooling Corporation Limited	900,000	900,000	*	Cost	—	—
Flowrite Refigeration Holdings Limited	522,465	869,785	*	Discounted price/earnings multiple	511,365	653,437
Hallmarq Systems Limited	685,908	740,933	*	Discounted price/earnings multiple	685,908	671,759
Fire and Air Services Limited	500,000	500,000	*	Cost	—	—
Biofortuna Limited	411,597	411,597	*	Cost	312,503	312,503
Procam Television Holdings Limited	400,000	400,000	*	Cost	—	—
The Fin Machine Company Limited	†7,968,110	—		Nil Value	7,108,110	5,849,000
Munro Global Limited	—	—		Nil Value	—	—
Sport Media Group plc	—	—		Nil Value	—	—
Leisure Efficiency III Limited	—	—		Sold	2,000,000	2,000,000
Wholesale Efficiency II Limited	—	—		Sold	1,000,000	1,000,000
Leisure Efficiency II Limited	—	—		Sold	675,150	675,150
	17,870,875	**10,286,781**			**18,125,831**	**16,843,305**

*All investments by value shown on pages 14 and 15.

†Amount invested refers to the valuation of these investments on 6 February 2012, being the date that Foresight 5 VCT plc and Acuity 3 VCT plc merged to create the C Share fund, adjusted for additions and disposals. This is therefore the price paid by Foresight 4 VCT plc.

Investment Summary

Ordinary Shares Portfolio

Top ten investments by value as at 30 September 2013 are detailed below:

Datapath Group 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. Audited results for the year ended 31 March 2013 show an operating profit of £5.1 million on sales of £14.1 million.

Closed Loop Recycling Limited

is the first plant in the UK to recycle waste PET and HDPE plastic bottles into food grade packaging material. The company continues to make solid operational, commercial and revenue progress. In February 2013, the company concluded a major new supply contract and new customer contracts worth £17 million per annum. A total of £12.8 million loan finance was raised (of which £6 million was provided by the Foresight Environmental Fund) and will be used to double production capacity at the Dagenham plant. Facilities provided by Allied Irish Bank, the incumbent bank, were placed on to a term basis. The new sorting and production equipment has now been commissioned and full scale production utilising this additional capacity commenced in November.

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 and Greenham Common, Berkshire. With particular expertise in Open Source and Microsoft software and systems, web and digital security, The Bunker Secure Hosting 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 Secure Hosting is highly regarded for its technical skills by its customers, which include top financial, telecoms and web-based businesses concerned which data security who have made the decision to outsource their mission critical IT systems. The Bunker Secure Hosting continues to improve revenues from existing customers and win new customers under term contracts which generate high visibility of future revenues. In the year to December 2012, an EBITDA of £1.77 million was achieved on sales of £8.5 million at which date recurring annual revenues were running at £8.8 million. The Bunker Secure Hosting has recently been accredited within the G Cloud framework to provide its services to public sector organisations, opening a large potential market.

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. Audited results for the year to 31 March 2013 show an operating profit of £2.45 million on sales of £18 million.

Autologic Diagnostics Group Limited

was founded in 1999 and develops and sells sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair vehicles. As cars have become increasingly sophisticated and more reliant on electronic systems, mechanics need to be able to communicate to the in-car computer running the process or system, which in turn requires a diagnostic tool. Autologic Diagnostics supplies its 'Autologic' product for use with well-known car brands including Land Rover, BMW, Mercedes, Jaguar, VAG (VW, Audi, Skoda) and Porsche. Audited results for the year ended 31 December 2012 showed an operating profit of 5.9 million on sales of £17.2 million. The company have also started the year to December 2013 strongly, with unaudited financials for the three quarters to September 2013 showing an operating profit of £4.3 million on revenues of £14.0 million

Investment Summary

Ixaris Systems Limited

operates a prepaid electronic payment service integrated with the Visa network. Consumers deposit funds by credit card, cash at payment points or via normal bank transfers. The company has made inroads into the affiliates payment market, enabling affiliate networks to make payments to their members cost-effectively wherever they are in the world, and also into the online travel agency market. The company has launched its Opn platform that enables developers to create and run their own global payment applications under the Visa and MasterCard schemes. Audited results for the year to 31 December 2012 show an operating loss of £0.3 million on sales of £8.4 million.

Evance 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, but the reduction in the feed-in tariff by 25% from 1 October 2012 has had a major impact on the small wind turbine market. Unaudited results for the year ended 31 March 2013 show on operating profit of £0.4 million on sales of £8.6 million.

Aerospace Tooling Corporation Limited

is a niche engineering company based in Dundee. The company provides specialist repair and refurbishment servicing for components in high-specification aerospace and turbine engines. Specifically the company targets 'legacy' components and engines that have ceased production, but are still in widespread use. Audited results for the year ended 30 June 2013 show an operating profit of £1.8 million on sales of £6.7 million.

Fire and Air Services Limited

is a Hard Facilities Management provider, designing, installing and maintaining customised air conditioning and fire sprinkler systems for retail, commercial and residential properties. The company operates within the £5.3bn UK Fire and heating, ventilation and air conditioning markets with a network of engineers across the UK enabling the company to service its nationwide customer base. Unaudited results for the year ended 31 March 2013 show on operating profit of £1.9 million on sales of £4.8 million.

Zoo Digital Group plc

supplies software and services for the creative media industries. Zoo's workflow solutions allow organisations such as film studios, video game developers and book publishers to simplify the production of creative materials, creating localised packaging, marketing campaigns and DVD, Blu-ray, iTunes and eBook products.

Investment Summary

C Shares Portfolio

All investments by value as at 30 September 2013 are detailed below:

Defaqto Group Limited

is an independent financial research company specialising in rating, comparing and analysing consumer financial products. 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 their advisers decide which product suits their specific needs, rather than comparing purely on price. 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. Unaudited results for the year ended 31 March 2013 show an operating profit of £0.8 million on sales of £7.2 million.

Blackstar Amplifications Holdings Limited

designs and manufactures innovative guitar amplifiers and associated products for the UK and international music instrument market. Based in Northampton, Blackstar has established a global brand on a catalogue of 50+ products, each of which has received industry acclaim. Unaudited results for the year ended 30 April 2013 show an operating profit of £0.4 million on sales of £9.7 million.

Connect 2 Holdings Limited

is a developer, publisher and distributor of digital media entertainment on a range of devices including mobile phones, portable games consoles, tablets, Blackberrys®, iPhones, PCs and interactive TVs. The company is headquartered in Manchester and has offices in Europe and America. Audited results for the year ended 31 December 2012 show an operating loss of £0.2 million on sales of £3.1 million.

Aerospace Tooling Corporation Limited

is a niche engineering company based in Dundee. The company provides specialist repair and refurbishment servicing for components in high-specification aerospace and turbine engines. Specifically the company targets 'legacy' components and engines that have ceased production, but are still in widespread use. Audited results for the year ended 30 June 2013 show an operating profit of £1.8 million on sales of £6.7 million.

Hallmarq Systems Limited

is a manufacturer of MRI systems for the standing equine market. The company's head office and factory is located in Guildford, where the systems are designed and manufactured. Hallmarq also has a sales and service office in Acton, Massachusetts in the United States and field service engineers based in other locations around the world. The team behind the development of the standing equine MRI system have man-decades of experience in the design and manufacture of clinical, research and industrial MRI systems and have installed over 150 systems worldwide. Unaudited results for the year ended 31 August 2013 show an operating profit of £1.3 million on sales of £3.8 million.

Investment Summary

Flowrite Refrigeration Holdings Limited

FLOWRITE SERVICES LIMITED

is a refrigeration and air-conditioning service, maintenance and installation company, specialising in the leisure, commercial and retail industries across the UK. Unaudited results for the year ended 31 October 2013 show an operating profit of £0.9 million on sales of £7.9 million.

Fire and Air Services Limited

THERMOTECH Fire Protection Limited

is a Hard Facilities Management provider, designing, installing and maintaining customised air conditioning and fire sprinkler systems for retail, commercial and residential properties. The company operates within the £5.3bn UK Fire and heating, ventilation and air conditioning markets with a network of engineers across the UK enabling the company to service its nationwide customer base. Unaudited results for the year ended 31 July 2013 show on operating profit of £1.9 million on sales of £4.8 million.

Biofortuna Limited

BIOFORTUNA©

is a molecular diagnostics business, which develops and manufactures stabalised, freeze-dried and user-friendly diagnostics tests. The company's initial range of products is a series of genetic compatibility tests, matching organ donors and recipients. Biofortuna is partnered with global life science giant Abbott Molecular. Audited results for the year ended 31 March 2013 show an operating loss of £1.2 million on sales of £0.4 million

Procam Television Holdings Limited

procam.tv

is one of the UK's leading broadcast hire companies, supplying equipment and crew for location TV production. Clients include the major studios (e.g. ITV Studios), independent TV production companies, public broadcasters (e.g. BBC) and smaller niche broadcasters. The trading subsidiary reported audited revenues of £5.7 million and an operating profit of £0.9 million for the financial year to 31 December 2012.

Unaudited Half-Yearly Results and Responsibility Statements

Principal risks and uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Performance;
- Regulatory;
- Operational; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 31 March 2013. A detailed explanation can be on found on page 23 of the Annual Report and Accounts which is available on www.foresightgroup.eu or by writing to Foresight Group at ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU.

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

Directors' responsibility statement:

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

The Directors confirm to the best of their knowledge that:

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

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

(c) the summarised set of financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R; and

(d) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review in the 31 March 2013 Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Business Review and Notes to the Accounts of the 31 March 2013 Annual Report. In addition, the Annual Report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

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

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

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

On behalf of the Board

Philip Stephens
Chairman
29 November 2013

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

Income Statements

for the six months ended 30 September 2013

	Ordinary Shares Fund			C Shares Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised losses on investments	—	(1,406)	(1,406)	—	—	—
Investment holding gains/(losses)	—	4,441	4,441	—	(6,023)	(6,023)
Income	448	—	448	78	—	78
Investment management fees	(105)	(314)	(419)	(54)	(163)	(217)
Other expenses	(145)	—	(145)	(77)	—	(77)
Return/(loss) on ordinary activities before taxation	**198**	**2,721**	**2,919**	**(53)**	**(6,186)**	**(6,239)**
Taxation	—	—	—	2	—	2
Return/(loss) on ordinary activities after taxation	**198**	**2,721**	**2,919**	**(51)**	**(6,186)**	**(6,237)**
Return per share	**0.5p**	**7.0p**	**7.5p**	**(0.3)p**	**(33.1)p**	**(33.4)p**

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

Balance Sheets

at 30 September 2013

	Ordinary Shares Fund £'000	C Shares Fund £'000
Fixed assets		
Investments held at fair value through profit or loss	32,938	10,287
Current assets		
Debtors	1,417	626
Money market securities and other deposits	537	—
Cash	155	1,146
	2,109	1,772
Creditors		
Amounts falling due within one year	(83)	(149)
Net current assets	2,026	1,623
Net assets	**34,964**	**11,910**
Capital and reserves		
Called-up share capital	386	187
Share premium account	10,308	25,617
Capital redemption reserve	1,938	70
Profit and loss account	22,332	(13,964)
Equity shareholders' funds	**34,964**	**11,910**
Number of shares in issue	38,569,418	18,680,904
Net asset value per share	**90.7p**	**63.8p**

At 30 September 2013 there was an inter-share debtor/creditor of £101,000 which has been eliminated on aggregation.

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

Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 September 2013

Ordinary Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 April 2013	384	8,076	1,914	23,131	33,505
Share issues in the period	26	2,408	—	—	2,434
Expenses in relation to share issues	—	(176)	—	—	(176)
Repurchase of shares	(24)	—	24	(2,172)	(2,172)
Investment transaction costs	—	—	—	(3)	(3)
Dividends	—	—	—	(1,543)	(1,543)
Return for the period	—	—	—	2,919	2,919
As at 30 September 2013	**386**	**10,308**	**1,938**	**22,332**	**34,964**

C Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 April 2013	187	23,442	49	(5,714)	17,964
Share issues in the period	21	1,979	—	—	2,000
Expenses in relation to share issues	—	196	—	—	196
Repurchase of shares	(21)	—	21	(2,006)	(2,006)
Investment transaction costs	—	—	—	(7)	(7)
Loss for the period	—	—	—	(6,237)	(6,237)
As at 30 September 2013	**187**	**25,617**	**70**	**(13,964)**	**11,910**

Unaudited Income Statement

for the six months ended 30 September 2013

	Six months ended 30 September 2013 (unaudited)			Six months ended 30 September 2012 (unaudited)			Year ended 31 March 2013 (audited)		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised (losses)/gains on investments	—	**(1,406)**	**(1,406)**	—	616	616	—	(674)	(674)
Investment holding losses	—	**(1,582)**	**(1,582)**	—	(677)	(677)	—	(1,107)	(1,107)
Income/(interest expense)	**526**	—	**526**	(56)	—	(56)	218	—	218
Investment management fees	**(159)**	**(477)**	**(636)**	(146)	(439)	(585)	(324)	(970)	(1,294)
Other expenses	**(222)**	—	**(222)**	(378)	—	(378)	(555)	—	(555)
Return/(loss) on ordinary activities before taxation	**145**	**(3,465)**	**(3,320)**	(580)	(500)	(1,080)	(661)	(2,751)	(3,412)
Taxation	**2**	—	**2**	—	—	—	—	—	—
Return/(loss) on ordinary activities after taxation	**147**	**(3,465)**	**(3,318)**	(580)	(500)	(1,080)	(661)	(2,751)	(3,412)
Return per share:									
Ordinary Share	**0.5p**	**7.0p**	**7.5p**	(1.5)p	(0.3)p	(1.8)p	(1.6)p	(7.9)p	(9.5)p
C Shares	**(0.3)p**	**(33.1)p**	**(33.4)p**	0.0p	(2.2)p	(2.2)p	(0.3)p	1.4p	1.1p

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

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

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

Unaudited Balance Sheet

at 30 September 2013

Registered Number: 03506579

	As at 30 September 2013 (unaudited) £'000	As at 30 September 2012 (unaudited) £'000	As at 31 March 2013 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	43,225	45,571	44,527
Current assets			
Debtors	1,942	2,827	2,746
Money market securities and other deposits	537	533	536
Cash	1,301	5,390	3,995
	3,780	8,750	7,277
Creditors			
Amounts falling due within one year	(131)	(825)	(335)
Net current assets	3,649	7,925	6,942
Net assets	46,874	53,496	51,469
Capital and reserves			
Called-up share capital	573	566	571
Share premium	35,925	30,922	31,518
Capital redemption reserve	2,008	1,958	1,963
Profit and loss account	8,368	20,050	17,417
Equity shareholders' funds	46,874	53,496	51,469
Net asset value per share:			
Ordinary Share	90.7p	95.1p	87.3p
C Share	63.8p	93.0p	95.8p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 September 2013

Company	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 April 2013	571	31,518	1,963	17,417	51,469
Share issues in the period	47	4,387	—	—	4,434
Expenses in relation to share issues	—	20	—	—	20
Repurchase of shares	(45)	—	45	(4,178)	(4,178)
Investment transaction costs	—	—	—	(10)	(10)
Dividends	—	—	—	(1,543)	(1,543)
Loss for the period	—	—	—	(3,318)	(3,318)
As at 30 September 2013	573	35,925	2,008	8,368	46,874

Unaudited Cash Flow Statement

for the six months ended 30 September 2013

	Six months ended 30 September 2013 (unaudited) £'000	Six months ended 30 September 2012 (unaudited) £'000	Year ended 31 March 2013 (audited) £'000
Cash flow from operating activities			
Investment income received	**73**	211	311
Deposit and similar interest received	**1**	4	7
Investment management fees paid	**(673)**	(825)	(1,674)
Secretarial fees paid	**(77)**	(115)	(155)
Other cash (payments)/receipts	**(424)**	(281)	65
Net cash outflow from operating activities and returns on investment	**(1,100)**	(1,006)	(1,446)
Taxation	**—**	—	—
Returns on investment and servicing of finance			
Purchase of unquoted investments and investments quoted on AiM	**(5,145)**	(6,211)	(6,673)
Net proceeds on sale of investments	**3,763**	3,220	3,040
Net proceeds on deferred consideration	**278**	—	451
Net capital outflow from investing activities	**(1,104)**	(2,991)	(3,182)
Equity dividends paid	**(1,543)**	—	—
Net cash outflow before financing and liquid resource management	**(3,747)**	(3,997)	(4,628)
Management of liquid resources			
Movement in money market funds	**(1)**	1,006	1,003
	(1)	1,006	1,003
Financing			
Proceeds of fund raising	**1,226**	836	836
Expenses of fund raising	**(53)**	(178)	(114)
Net movement from share issues and share buy backs	**(119)**	(51)	(876)
Net cash inflow/(outflow) from financing activities	**1,054**	607	(154)
Decrease in cash	**(2,694)**	(2,384)	(3,779)

Reconciliation of net cash flow to movement in net cash			
Decrease in cash for the period	(2,694)	(2,384)	(3,779)
Net cash at start of the period	3,995	7,774	7,774
Net cash at end of period	1,301	5,390	3,995

Notes to the Half-Yearly Financial Report

for the six months ended 30 September 2013

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 31 March 2013. Unquoted investments have been valued in accordance with IPEVCV guidelines. Quoted investments are stated at bid prices in accordance with IPEVCV guidelines and UK Generally Accepted Accounting Practice.

2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 September 2013 and 30 September 2012 has been neither audited nor reviewed. Statutory accounts in respect of the year ended 31 March 2013 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 March 2013 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, 24-26 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 the number of shares in issue at that date.

	Ordinary Shares Fund		C Shares Fund	
	Net assets £'000	Number of shares in Issue	Net assets £'000	Number of shares in Issue
30 September 2013	34,964	38,569,418	11,910	18,680,904
30 September 2012	36,065	37,920,729	17,431	18,744,740
31 March 2013	33,505	38,384,591	17,964	18,744,740

5 Return per share

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

	Ordinary Shares Fund Number of (Shares)	C Shares Fund Number of (Shares)
Six months ended 30 September 2013	38,616,148	18,693,547
Six months ended 30 September 2012	38,071,837	18,716,704
Year ended 31 March 2013	37,965,547	18,730,684

Notes to the Half-Yearly Financial Report

for the six months ended 30 September 2013

6 Income/(interest expense)

	Six months ended 30 September 2013 (unaudited) £'000	Six months ended 30 September 2012 (unaudited) £'000	Year ended 31 March 2013 (audited) £'000
Loan stock interest	**524**	*(60)	216
Overseas based Open Ended Investment Companies ("OEIC's")	**2**	4	2
	526	(56)	218

* Where provisions have been made against the value of investments, we have also provided against income due from such investments and this is reflected in the negative loan stock interest amount above.

7 Investments held at fair value through profit and loss

Company	**Quoted £'000**	**Unquoted £'000**	**Total £'000**
Book cost at 1 April 2013	1,725	44,178	45,903
Investment holding losses	(744)	(632)	(1,376)
Valuation as at 1 April 2013	981	43,546	44,527
Movements in the period:			
Purchases at cost	—	5,547	5,547
Disposal proceeds	(88)	(3,675)	(3,763)
Realised losses	(91)	(1,315)	(1,406)
Investment holding losses	(57)	(1,623)	(1,680)
Valuation at 30 September 2013	**745**	**42,480**	**43,225**
Book cost at 30 September 2013	1,546	44,735	46,281
Investment holding losses	(801)	(2,255)	(3,056)
Valuation at 30 September 2013	**745**	**42,480**	**43,225**

Ordinary Shares Fund	**Quoted £'000**	**Unquoted £'000**	**Total £'000**
Book cost at 1 April 2013	1,725	26,052	27,777
Investment holding (losses)/gains	(744)	651	(93)
Valuation at 1 April 2013	981	26,703	27,684
Movements in the period:			
Purchases at cost	—	2,127	2,127
Disposal proceeds	(88)	—	(88)
Realised losses	(91)	(1,315)	(1,406)
Investment holding (losses)/gains	(57)	4,678	4,621
Valuation at 30 September 2013	**745**	**32,193**	**32,938**
Book cost at 30 September 2013	1,546	26,864	28,410
Investment holding (losses)/gains	(801)	5,329	4,528
Valuation at 30 September 2013	**745**	**32,193**	**32,938**

Investment holding losses in the income statement include a write down of £180,000 relating to a bank overdraft Guarantee Facility provided by the Ordinary Shares fund, which is not reflected above.

Capitalised interest of £391,000 was recognised by the Ordinary Shares fund in the period, and is included within purchases at cost.

Notes to the Half-Yearly Financial Report

for the six months ended 30 September 2013

C Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost at 1 April 2013	—	18,126	18,126
Investment holding losses	—	(1,283)	(1,283)
Valuation at 1 April 2013	—	16,843	16,843
Movements in the period:			
Purchases at cost	—	3,420	3,420
Disposal proceeds	—	(3,675)	(3,675)
Investment holding losses	—	(6,301)	(6,301)
Valuation at 30 September 2013	**—**	**10,287**	**10,287**
Book cost at 30 September 2013	—	17,871	17,871
Investment holding losses	—	(7,584)	(7,584)
Valuation at 30 September 2013	**—**	**10,287**	**10,287**

Deferred consideration of £278,000 was recognised by the C Shares fund in the period through investment holding losses and is included in debtors.

Capitalised interest of £11,000 was recognised by the C Shares fund in the year and is included within purchases at cost.

8 Transactions with the manager

Foresight Group, acting as investment manager to the Company in respect of its venture capital investments, earned fess of £636,000 during the period (30 September 2012: £585,000; 31 March 2013: £1,294,000). Fees excluding VAT of £77,707 (30 September 2012: £80,000; 31 March 2013: £154,562) were received during the period for company secretarial, administrative and custodian services to the Company.

At the balance sheet date, there was £13,464 due from Foresight Group (30 September 2012: £110,999; 31 March 2013: £5,432) and £nil due to Foresight Fund Managers Limited (30 September 2012: £nil; 31 March 2013: £nil). No amounts have been written off in the period in respect of debts due to or from the related parties.

Shareholder Information

Dividends

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

Share price

The Company's Ordinary and C Shares are listed on the London Stock Exchange. The mid-price of the Company's Ordinary Shares and C 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.

Fund History

Foresight Group was appointed manager of Advent 2 VCT plc on 1 August 2004 and the fund was renamed Foresight 4 VCT plc.

Foresight Group was appointed manager of Acuity Growth VCT (formerly Acuity VCT plc) (previously Electra Kingsway VCT plc) and Acuity VCT 2 plc (previously Electra Kingsway VCT 2 plc) on 24 February 2011 and the company was renamed Foresight 5 VCT plc. Foresight Group was also appointed manager of Acuity VCT 3 plc (formerly Electra Kingsway VCT 3 plc) on 1 April 2011. Foresight 4 VCT plc acquired the assets and liabilities of both Foresight 5 VCT plc and Acuity VCT 3 plc on 6 February 2012 and the companies were merged into Foresight 4 VCT plc as a separate C Share class.

Foresight 4 VCT plc also acquired the assets and liabilities of Foresight Clearwater VCT plc on 6 February 2012 and the Foresight Clearwater VCT plc Ordinary Shares became Foresight 4 VCT plc Ordinary Shares.

Investor centre

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

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

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

Trading shares

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

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

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

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

Indicative financial calendar

July 2014	Announcement of annual results for the year ended 31 March 2014
July 2014	Posting of the Annual Report for the year ended 31 March 2014
September 2014	Annual General meeting
November 2014	Announcement of half-yearly Financial Results for the six months to 30 September 2014

Enquiries

Contact Foresight Group for Foresight 4 VCT plc:

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