**FORESIGHT VCT PLC**
**LEI: 213800GNTY699WHACF46**

**UNAUDITED HALF-YEARLY FINANCIAL REPORT**
**FOR THE PERIOD ENDED 30 JUNE 2024**

**Financial Highlights**

- Total net assets **Â£218.0 million**
- Following a successful recent period of realisations, a special dividend of **7.0p** per share was paid on 28 June 2024 inÂ addition to the final dividend for the year ended 31 December 2023 of **4.4p** per share, costing **Â£30.7 million**
- Successful realisations of **Â£34.5 million** were offset by **Â£8.9 million** of deployment and an increase of Â£**10.6 million** inÂ theÂ value of investments, resulting in a decrease in the value of the investment portfolio of **Â£15.0 million**
- Net Asset Value per share decreased by **7.9%** from **85.9p** at 31 December 2023 to **79.1p** at 30 June 2024. After adding back the **11.4p** dividend paid on 28 June 2024, NAV Total Return per share was **90.5p**, which made the total return for the half-year **5.4%**
- The offer for subscription launched in November 2023 was closed on 9 April 2024 and raised a total of **Â£23.9 million** after expenses

**Chairâ€™s Statement**

I am pleased to present the Companyâ€™s unaudited Halfâ€˜Yearly Financial Report for the period ended 30 June 2024.

The Companyâ€™s Net Asset Value (â€œNAVâ€), including dividends of 11.4p paid during the period, increased by 4.6p per share to 90.5p. This represents a NAV Total Return of 5.4% for the six months to 30 June 2024.

The UK economy showed some early signs of recovery in the first half of 2024 following the technical recession recorded in the second half of last year. This year, two quarters of strong GDP growth have now been reported and the headline annual inflation rate for May fell to 2%, finally reaching the Bank of Englandâ€™s target rate, before nudging up again slightly for July. The Bank of England made its first interest rate cut at the beginning of August and more cuts are expected this year but their timing is still unclear. Although this period under review included the run-up to the UK general election, the Labour victory was seen as a foregone conclusion and the markets were relatively relaxed about this outcome, not anticipating radical changes to fiscal or monetary policy.

The Companyâ€™s portfolio in aggregate performed well against this improving backdrop, although some individual investee companies are still struggling with weak consumer demand, high interest rates, inflation, supply chain issues and labour shortages. The Manager continues to work closely with such companies to help them manage through these difficulties. On the other hand, other investee companies are flourishing and we are encouraged by some very profitable exits recently as the M&A market has begun to pick up.

The overall solid performance of the Company in the first half of 2024 demonstrates the advantages of a generalist and wellâ€˜diversified portfolio.

**Strategy**
The Board and the Manager continue to pursue a strategy for the Company which includes the following four key objectives:

- Growth in Net Asset Value Total Return each year above aÂ 5% target
- Payment of annual ordinary dividends of at least 5% of the NAV per share per annum (based on the latest announced NAV per share)
- The implementation of a significant number of new and follow-on qualifying investments every year, exceeding deployment requirements to maintain VCT status
- Maintaining a programme of regular share buybacks at aÂ discount of no less than 7.5% to the prevailing NAV perÂ share

The Board and the Manager believe that these key objectives remain appropriate and the Companyâ€™s performance in relation to each of them over the past six months is reviewed in more detail below.

**Net Asset Value and dividends**
The NAV of the Company marginally fell over the period from Â£219.1 million at 31 December 2023 to Â£218.0 million at 30 June 2024. This was following the payment of both an ordinary and special dividend costing the Company Â£30.7 million in total (including shares allotted under the dividend reinvestment scheme).

After the successful realisations of Callen-Lenz Associates Limited and Specac International Limited, the Board declared a special interim dividend of 7.0p per share in addition to the final dividend for the year ended 31 December 2023 of 4.4p per share. The combined dividend of 11.4p per share was paid on 28 June 2024.

At the end of 2023, nearly four-fifths of the Companyâ€™s assets were invested and the Board believed it would be in the Companyâ€™s best interest to raise further funds to provide liquidity for its activities in 2024 and beyond. On 15 November 2023, the Company launched an offer for subscription to raise up to Â£20 million, with an overâ€˜allotment facility to raise up to a further Â£5 million, through the issue of new shares. The offer was closed on 9 April 2024 having raised gross proceeds of Â£25.0 million, Â£23.9 million after expenses. We would like to thank those existing shareholders who supported the offer and welcome all new shareholders to the Company.

Callen-Lenz Associates Limited and Specac International Limited generated proceeds of Â£34.2 million at completion. Since initial investment, the two exits combined have returned to the Company a total of Â£35.7 million, with a further Â£3.6 million of deferred consideration included within debtors as at the period end. This is an exceptional achievement from a combined initial investment of Â£6.2 million and represents a cash-on-cash multiple of 6.4 times.

The Company continues to achieve its target dividend yield of 5% of NAV, which was set in 2019 in light of the change in portfolio towards earlier-stage, higher-risk companies, as required by the VCT rules.

The Board and the Manager hope that this level may continue to be exceeded in future by payment of additional â€œspecialâ€ dividends as and when particularly successful portfolio disposals are achieved.

**Investment performance and portfolio activity**
A detailed analysis of the investment portfolio performance over the period is given in the Managerâ€™s Review.

In brief, during the six months under review, the Manager completed three new investments, in a range of sectors, and three follow-on investments costing Â£6.4 million and Â£2.5 million respectively. The Company also disposed of two investments very successfully, as described above, as well as the disposal of three challenged businesses within the portfolio. Furthermore, the Company received two loan principal repayments totalling Â£0.4 million.

The Board and the Manager are confident that a significant number of new and follow-on investments can be achieved inÂ 2024.

The Company and Foresight Enterprise VCT plc have the same Manager and share similar investment policies. The Board closely monitors the extent and nature of the pipeline of investment opportunities and is reassured by the Managerâ€™s confidence in being able to deploy funds without compromising quality and to satisfy the investment needs of both companies.

**Responsible investing**
The analysis of environmental, social and governance (â€œESGâ€) issues is embedded in the Managerâ€™s investment process and these factors are considered key in determining the quality of a business and its long-term success. Central to the Managerâ€™s responsible investment approach are five ESG principles that are applied to evaluate investee companies, acquired since May 2018, throughout the lifecycle of their investment, from their initial review and acquisition to their final sale. Every year, the portfolio companies are assessed and progress is measured against these principles. More detailed information about the process can be found on pages 25 and 26 of the Managerâ€™s Review in the Unaudited Half-Yearly Financial Report.

**Buybacks**
During the period the Company repurchased 3,510,012 shares for cancellation at an average discount of 7.5%, in line with its revised objective of maintaining regular share buybacks at a discount of no less than 7.5% to the prevailing NAV per share. The Board and the Manager consider that the ability to offer to buy back shares at this level of discount is fair to both continuing and selling shareholders and continues to help underpin the discount to NAV at which the shares trade.

Share buybacks are timed to avoid the Companyâ€™s closed periods. Buybacks will generally take place, subject to demand, during the following times of the year:

- April, after the Annual Report has been published
- June, prior to the Half-Yearly reporting date of 30 June
- September, after the Half-Yearly Report has been published
- December, prior to the end of the financial year

**Management charges, co-investment andÂ performance incentive**
The annual management fee is an amount equal to 2.0% of net assets, excluding cash balances above Â£20 million, which are charged at a reduced rate of 1.0%.

This has resulted in ongoing charges for the period ended 30 June 2024 of 2.2%, which is at the lower end of the range when compared to recent cost ratios of competitor VCTs.

Since March 2017, co-investments made by the Manager and individual members of the Managerâ€™s private equity team have totalled Â£1.3 million alongside the Companyâ€™s investments of Â£110.2 million.

The co-investment scheme requires that the individual members of the team invest in all of the Companyâ€™s investments from that date onwards and prohibits selective â€œcherry pickingâ€ of coâ€‘investments. If any individual team member opts out of co-investment, they cannot invest in anything during that year. The Board believes that the coâ€‘investment scheme aligns the interests of the Managerâ€™s team with those of shareholders and has contributed to the gradual improvement in the Companyâ€™s investment performance.

In addition to the co-investment scheme, a new performance incentive scheme was formally approved by shareholders at a general meeting of the Company held on 15 June 2023. This scheme, in brief, is based on the Companyâ€™s investment performance over a rolling five-year period, over which the movement in NAV Total Return per share needs to exceed a hurdle of 25% before any performance fee each year can be earned. The annual fee is subject to a cap of 1% of the closing NAV at the end of the five-year period. More details on the calculation of the performance fee can be found in note 8 of this report.

A total of Â£1.7 million has been accrued as an estimate of the performance fee due in respect of this financial year, based on the Companyâ€™s performance over the last four and a half years. Over this period I am very pleased to report that the NAV Total Return per share has increased by 38.5p (50.3%) before any performance incentive provision.

**Board composition**
The Board continues to review its own performance and undertakes succession planning to maintain an appropriate level of independence, experience, diversity and skills in order to be in a position to discharge its responsibilities. 2024Â has seen some planned changes to the composition ofÂ the Board.

After more than eight years as a Non-Executive Director, Jocelin Harris did not stand for re-election at the AGM on 4Â June 2024. On behalf of the Company, I would once again like to thank Jocelin for his significant contribution and dedication to the Company, which has benefited enormously from his wise counsel during his many years of service. WeÂ will miss Jocelin and we wish him the very best for theÂ future.

**Shareholder communication**
We were delighted to meet with some shareholders in person at the AGM on 4 June 2024. We hope many of you will be available to attend our next in-person investor forum event which will be announced in due course. These events have proven very popular with our shareholders in the past and provide the opportunity to learn first-hand about some of our investee companies from their founders and management.

**VCT Sunset Clause**
I am pleased to report that new regulations have been made to extend the UKâ€™s VCT scheme by ten years to April 2035, following the European Commissionâ€™s confirmation that they would not oppose the continuation of the scheme. This now removes any recent uncertainty and will help support further investment by the VCT sector in early stage companies.

**Outlook**
The UK economy is now improving after some challenging years, with GDP showing relatively strong growth again in the first two quarters of this year and headline inflation finally falling to more acceptable levels. The election of a majority Labour government in July introduced some political stability and its economic agenda is expected to be fiscally prudent. Consumer confidence and business investment may now startÂ to pick up, particularly as interest rates begin to fall. There are also encouraging signs of more M&A activity.

While the Bank of England has recently begun to cut its base rate, the path of future monetary loosening is still unclear, as service prices have remained high and wage inflation stickier than previously anticipated. Any positive economic growth forÂ the remainder of 2024 is expected toÂ be modest.Â InÂ addition, the first budget of the new Labour government is due at the end of October and its impact on small businesses is not yet known. There is also still considerable uncertainty for the global economy and geopolitical tensions persist. Markets have recently been unsettled and skittish, and we await theÂ results of the US election in November which to date looks too close to call.

Our investee companies are unquoted, small, early-growth businesses and by their nature entail higher levels of risk andÂ lower liquidity than larger listed companies. Nonetheless, the Companyâ€™s current portfolio of investments is highly diversified by number, business sector, size and stage of development and overall has already demonstrated its relative resilience in recent difficult economic and geopolitical circumstances. We are confident that this approach will continue to provide some protection in future volatile marketÂ conditions.

The Manager is continuing to see a promising pipeline of potential investments, both new and follow-on, which are sourced nationally through its established regional network. In addition to the funds raised earlier in the year, we have recently announced our intention to raise further funds in the coming months. These combined funds will provide the necessary resources to make selective acquisitions from an increasing number of emerging investment opportunities. Although economic growth may be subdued, and markets potentially turbulent, in the months ahead, we believe the Companyâ€™s generalist and diversified portfolio continues to be well positioned to generate long-term value for shareholders.

**Margaret Littlejohns**
Chair

25 September 2024

**Managerâ€™s Review**

**James Livingston**
on behalf of Foresight Group LLP Co-Head of Private Equity

**Portfolio summary**
As at 30 June 2024, the Companyâ€™s portfolio comprised 51Â investments with a total cost of Â£97.1 million and a valuation of Â£156.3 million. The portfolio is diversified by sector, transaction type and maturity profile. Details of the ten largest investments by valuation, including an update on their performance, are provided on pages 18 to 21 in the Unaudited Half-Yearly Financial Report.

During the six months to 30 June 2024, the value of the investment portfolio decreased by Â£15.0 million as a result of successful realisations of several investments, generating Â£34.5 million. This was partially offset by an increase of Â£10.6Â million in the valuation of the remaining investments, plus Â£8.9 million of new and follow-on investments.

Overall, the portfolio has performed well despite uncertainty in the market with ongoing conflicts in Ukraine and Gaza, numerous elections taking place worldwide, fears of a potential recession in the US and continued domestic price inflation, coupled with high interest rates.

In line with the Boardâ€™s strategic objectives, we remain focused on growing the Company through further development of Net Asset Value Total Return. For the six months to 30 June 2024, Net Asset Value Total Return was 5.4% and net assets marginally decreased by 0.5% to Â£218.0 million following the payment of an 11.4p per share dividend costing the Company Â£30.7 million, meaning that theÂ Company has successfully met this objective in the period under review.

**New investments**
Three new investments were completed in the six months to 30 June 2024, investing a total of Â£6.4 million. The new investments were across childrenâ€™s play centres, engineering solutions and cybersecurity. Follow-on investments totalling Â£2.5 million were also made in three existing investee companies. There is a strong pipeline of opportunities that we expect to convert during the second half of 2024.

***Family Adventures Group Limited***
In January 2024, the Company invested Â£2.5 million of growth capital into Family Adventures Group, a provider of daycare nurseries and childrenâ€™s leisure sites that combines soft play areas with theatrical role play facilities. All inspected sites have been rated â€œGoodâ€ by Ofsted and have an average score of 9.9/10 on daynurseries.co.uk; whilst the leisure sites have market-leading Net Promoter Scores and high repeat visits. TheÂ investment will be used to aid the business with a continued rollout of nursery and leisure sites across the South West and the Midlands.

***Evolve Dynamics Limited***
In March 2024, the Company completed a Â£2.0 million investment into Evolve Dynamics. Founded in 2016, the company designs and manufactures smaller Unmanned Aerial Systems (â€œUASâ€) with capabilities for intelligence, surveillance and reconnaissance. The companyâ€™s UAS products are also widely deployed within UK and international police forces, fire services, energy inspection and search & rescue organisations. The investment will help scale the business and aid in new product launches.

***Lepide Group Holding Company Limited***
In March 2024, the Company invested Â£1.9 million into Lepide, a cyber security software solution that helps organisations to protect their unstructured data. Lepide actively monitors event logs within Windows Active Directory in order to detect suspicious activity and help organisations to manage overâ€‘exposure of data. The investment will help scale the business and accelerate growth initiatives.

**Follow-on investments**
The Company has made follow-on investments in three companies during the six months to 30 June 2024, totallingÂ Â£2.5 million. Further details of each of these are provided opposite.

The additional equity injections in the period were used to support further growth plans, such as launching new products and expansion of commercial capabilities. We continue to successfully navigate the volatility that has been felt across the markets over the course of the year, and remain vigilant about the health of the portfolio and the need for follow-on funding during the second half of 2024. Given the size of the portfolio, further opportunities to deploy capital into growing existing investments are expected.

***HomeLink Healthcare Limited***
In March 2024, the Company completed a Â£1.0 million followâ€‘on investment into HomeLink Healthcare. The Company first invested into HomeLink in March 2022. Contracting with the NHS, the business provides patients with wound care, physiotherapy and intravenous therapies in their own home. HomeLink is also a leader in remote patient monitoring practices, offers a virtual ward solution and has now saved the NHS over 150,000 hospital bed days. The investment will support the organic expansion of the company.

***Hexarad Group Limited***
In June 2024, the Company completed a Â£0.7 million follow-on investment into Hexarad Group. The Company initially invested Â£0.8 million into Hexarad in June 2021, which preceded a Â£0.7 million follow-on in August 2022. Hexarad is a teleradiology company, supporting NHS and private healthcare providers with access to a diversified pool of radiologists in order to provide fast, accurate diagnosis and enable more timely and higher quality patient care. The latest investment forms part of a larger funding round, including a new third-party investor, to support the ongoing development of the technology, as well as the expansion of the commercial and operational teams.

***Sprintroom Limited***
In March 2024, the Company completed a Â£0.8 million followâ€‘on investment into Sprintroom, which trades as Sprint Electric. The business designs and manufactures drives for controlling electric motors in light and heavy industrial applications, as well as recovering and reusing otherwise lost energy. The investment will be used to drive continued revenue growth and develop further iterations of the new product range.

**Post period end activity**
After the period end, the Company completed three followâ€‘on investments totalling Â£2.2 million into NorthWest EHealth Limited, which provides software and services to the clinical trials market; Strategic Software Applications Ltd, a London-based SaaS technology provider supporting financial institutions in meeting their regulatory compliance obligations; and Red Flag Alert Technology Group Limited, a Manchester-based proprietary SaaS intelligence platform with modular capabilities spanning compliance, prospecting, risk management and financial health assessments.

**Realisations**
The M&A climate has proven more challenging in recent years in light of macroeconomic conditions, including higher interest rates and geopolitical uncertainty alluded to above. Despite this, we are pleased to report the particularly strong realisations of Callen-Lenz Associates Limited and Specac International Limited, as well as the disposal of three challenged businesses within the portfolio: Ollie Quinn Limited, Crosstown Dough Limited and So-Sure Limited. We continue to engage with a range of potential acquirers of several portfolio companies and to carefully consider the timing of exit for each. Demand from both private equity and trade buyers remains for high-quality, highâ€‘growth businesses.

***Callen-Lenz Associates Limited***
In May 2024, the Company achieved the successful exit of Callen-Lenz Associates, returning Â£23.0 million to the Company. Including a further Â£2.9 million of earnout recognised at the period end, the sale implies a 5.4 times cash-on-cash return on the total investment made of Â£4.8

million, equivalent to an IRR of 123%. Since investment, we have worked with the board to expand both non-executive and executive leadership, which led to successful product launches and a significant increase in headcount and revenue. With the business focus successfully transitioned from R&D to commercial sales, the exit will facilitate continued growth.

***Ollie Quinn Limited***
In January 2024, following a period of challenging trading driven by continued wage inflation and a squeeze on consumer discretionary spend, the Company exited the UK division of OllieÂ Quinn, a branded retailer of prescription glasses, sunglasses and nonâ€‘prescription polarised sunglasses based in the UK and Canada. The exit returned Â£0.2 million on completion. A sale of the remaining Canadian business to its management team was completed in February 2024, with us negotiating a retained interest which may deliver futureÂ upside for the Company.

***Specac International Limited***
In March 2024, the Company announced the sale of Specac International, a leading manufacturer of high-specification sample analysis and preparation equipment used in testing and research laboratories worldwide, primarily supporting infrared spectroscopy. The transaction generated proceeds of Â£11.2 million at completion. When added to Â£1.5 million of cash returned pre-exit, this implies a total cash-on-cash return of 9.4x, equivalent to an IRR of 33%, with a further Â£704,000 of deferred consideration recognised at the period end. Since investment, the business has grown to sell globally through both original equipment manufacturers (â€œOEMsâ€) and distributors. We also engaged with the team to support management team changes, improvements in governance, headcount and numerous product launches, as well as a major site move. The exit will facilitate the continued growth of the business.

***Crosstown Dough Ltd***
In June 2024, the Company realised its investment in CrosstownÂ Dough, a doughnut vendor operating from 31Â sites including a mix of bricks and mortar, food trucks and market stalls. Crosstownâ€™s core products are made at its central production unit in Battersea. The sale of Crosstown to Karali Group, a large franchise operator of Burger King in the UK and US, allowed distributions to be made to creditors whilst facilitating the continuation of the business. Like Ollie Quinn, the business had been impacted by wage and supply chain inflation.

***So-Sure Limited***
In March 2024, the investment in So-Sure was fully written off as it failed to perform in line with the management plan proposed at the Managerâ€™s Investment Committee. So-Sure Limited is a technology company acting as â€œManaging General Agentâ€ for insurers. The companyâ€™s mission is to offer a more trusted proposition, greater pricing transparency and improved customer experience through its customer-centric digital platform.

**Realisations in the period ended 30 June 2024**

| Â<br>Â<br>Â<br>Company | Â<br>Â<br>Â<br>Detail | Â<br>Â<br>Total invested<br>(Â£) | Accounting<br>cost at date<br>of disposal<br>(Â£) | Exit proceeds<br>and deferred<br>consideration<br>(Â£) | Â<br>Â<br>Total return<br>(Â£) |
|---|---:|---:|---:|---:|---:|
| Callen-Lenz Associates Limited[1] | Full disposal | 4,826,733 | 4,826,733 | 25,919,367 | 25,919,367 |
| Specac International Limited[2] | Full disposal | 1,345,000 | 800,000 | 11,876,787 | 13,377,031 |
| Ollie Quinn Limited[3] | Full disposal | 6,684,016 | 6,684,016 | 580,451 | 584,615 |
| Crosstown Dough Ltd | Full disposal | 1,485,149 | 1,485,149 | â€" | â€" |
| So-Sure Limited[4] | Full disposal | 1,584,158 | 1,584,158 | 11,429 | 11,429 |
| Spektrix Limited | Loan repayment | 263,371 | 263,371 | 263,371 | 263,371 |
| Positive Response Corporation Ltd | Loan repayment | 100,000 | 100,000 | 100,000 | 100,000 |
| **Â** | **Â** | **16,288,427** | **15,743,427** | **38,751,405** | **40,255,813** |

1. Includes Â£2.9 million of deferred consideration which has been recognised within debtors.
2. Includes Â£704,000 of deferred consideration which has been recognised within debtors.
3. Includes Â£385,000 of deferred consideration which has been recognised within debtors. The Company has retained a 25% stake in the companyâ€™s remaining Canadian business.
4. Includes Â£11,000 of deferred consideration which has been recognised within debtors.

**Pipeline**
As at 30 June 2024, the Company had cash reserves of Â£59.0 million, which will be used to fund new and followâ€‘on investments, buybacks, dividends and corporate expenditure. We are seeing a strong pipeline of new opportunities, with several opportunities in due diligence or in exclusivity, with further deal completions expected to be announced in the months to follow.

The outlook for the UK economy is more favourable during the year to date, with inflation returning to historic norms over the last 12 months. Consumer spending remains squeezed however, resulting from stubbornly higher interest rates and the effects of recent high inflation still being felt. Conflicts in Ukraine and Gaza continue to impact supply chains and erode confidence. Global markets have proven to be exceptionally volatile so far in 2024, which recently gave rise to some concern within the market about a US recession which would have far-reaching consequences globally.

Against this unsettled backdrop, the UK economy is performing reasonably well and UK companies continue to seek both the capital and experience to help deliver growth in uncertain times.

With a broad network of deal introducers across the UK and internationally, and through its growing network of regional offices, we continue to see a large volume of attractive investment opportunities. This is not expected to change in the medium term. We continue to pursue a balanced strategy, targeting companies from a range of sectors and at different stages of maturity to combat market volatility.

**Key portfolio developments**
Material changes in valuation, defined as increasing orÂ decreasing by Â£1.0 million or more since 31Â DecemberÂ 2023, are detailed below. Updates on theseÂ companies are includedÂ on page 13 and in the Top Ten Investments section on pages 18 to 21 in the Unaudited Half-Yearly Financial Report.

**Key valuation changes in the period**

| Â<br>Company | Valuation<br>methodology | Net movement<br>(Â£) |
|---|---|---|
| TLS Management Limited | Discounted earnings multiple | 2,135,763 |
| Spektrix Limited | Price of last funding round | 1,664,010 |
| Hexarad Group Limited | Price of last funding round | 1,639,897 |
| Hospital Services Group Limited | Discounted earnings multiple | 1,567,046 |
| Itad (2015) Limited | Discounted earnings multiple | 1,018,565 |
| Nano Interactive Group Limited | Discounted revenue multiple | (1,038,058) |
| Aerospace Tooling Corporation Limited | Discounted earnings multiple | (1,062,824) |

**Outlook**
2024 has so far been a year of market volatility. Global markets performed strongly in the first six months of the year, with US indexes such as the S&P 500 and NASDAQ delivering consistent gains, albeit largely driven by a handful of highâ€‘performing technology companies. Increasing unemployment rates created a sense of anxiety in the US whilst volatility across the market is expected to continue in the medium term as a result of the ongoing wars in Europe and Gaza, which threaten to morph into global conflicts. In addition, nations representing approximately half of the global population are holding or have held elections in 2024, with the polarising US election taking place later in the year. This political uncertainty deepens the sense of instability in the markets.

Despite this challenging backdrop, the UK economy continues to perform relatively well. The FTSE 100 has shown steady gains throughout the year, rather than the significant gains and losses driven by highly valued technology companies seen in the US. GDP growth forecasts for the year are modest but exceed the expectations set earlier in 2024. Inflation has returned to historic levels, despite evidence which suggests that increased costs continue to be passed on to consumers, eroding spending power. As a result, the base interest rate has been held at over 5% until August, with further reductions likely to be measured. The first Labour government in over a decade appears relatively moderate and business-friendly, but is yet to announce its first budget, which could have wideâ€‘ranging consequences for small businesses in the UK.

In light of the volatile global economy and geopolitical environment, and a UK economy that is showing moderate signs of growth, the Company has performed well in the year to date. NAV Total Return in the year to date is 5.4%. Strong exits from Specac and Callen-Lenz have significantly contributed to the 11.4p dividend paid in June, with a very attractive dividend yield of 15.7%. The disappointing exits of So-Sure, Ollie Quinn and Crosstown, however, exemplify the current challenges faced by businesses linked to consumer spending. The Company maintains a balanced portfolio across different sectors and stages of the business lifecycle, which should stand it in good stead to face the volatility ahead. The Managerâ€™s hands-on approach to challenges and exit planning continues to add value to its portfolio companies.

Looking to the remainder of 2024 and beyond, it would be reasonable to expect further volatility given the geopolitical and economic environment. The US election could have far-reaching consequences, while few concrete details have yet emerged on the new UK government's first budget. Interest rates are likely to remain relatively high in the medium term, although this may create opportunities for equity investors to support SMEs put off by the cost of debt.

On the optimistic side, the UKâ€™s relatively low market volatility and moderate government should mean it remains an attractive place to do business. We expect to see continuing interest in UK companies as acquisition targets for overseas corporations. The UK continues to invest heavily in innovation through world-class universities and support networks, generating a good flow of attractive investment opportunities for the Manager.

The Manager is pleased with the performance in the year to date, with a successful fundraising, high-potential new investments and attractive exits. With inflation returning to historic norms and consumer confidence hopefully improving, there is cause for some optimism looking to the future. Crucially, the portfolio remains diversified across sectors and with a mix of higher-growth and cash-generative businesses, the Company is resilient to headwinds and challenges. The Company has further strengthened its position in the VCT market, which remains an important source of capital for UK entrepreneurs.

**James Livingston**
on behalf of Foresight Group LLP
Co-Head of Private Equity

25 September 2024

**Unaudited Half-Yearly Results And Responsibilities Statements**

**Principal risks and uncertainties**
The principal risks faced by the Company are as follows:

- Market risk
- Strategic and performance risk
- Internal control risk
- Legislative and regulatory risk
- VCT qualifying status risk
- Investment valuation and liquidity risk

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts forÂ the year ended 31 December 2023. A detailed explanation can be found on pages 50 to 52 of the Annual Report and Accounts, which is available on the Companyâ€™s website www.foresightvct.com or by writing to Foresight Group at The Shard, 32 London Bridge Street, London SE1Â 9SG.

In the view of the Board, there have been no changes to the fundamental nature of these risks since the previous report. The emerging risks identified in the previous report included those of climate change, inflationary pressures, interest rates, supply chain issues, energy prices, the Russian invasion of Ukraine, conflict in the Middle East and increased tension between the United States and China over the future of Taiwan. These emerging risks continue to apply and be monitored. The Board and the Manager continue to follow all emerging risks closely with a view to identifying where changes affect the areas of the market in which portfolio companies operate. This enables the Manager to work closely with portfolio companies, preparing them so far as possible to ensure they are well positioned to endure potential volatility.

**Directorsâ€™ responsibility statement**
The Disclosure and Transparency Rules (â€œDTRâ€) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Half-Yearly Financial Report.

The Directors confirm to the best of their knowledge that:

a. The summarised set of financial statements has been prepared in accordance with FRS 104
b. The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year)
c. The summarised set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R
d. The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related partiesâ€™ transactions and changes therein)

**Going concern**
The Companyâ€™s business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairâ€™s Statement, Strategic Report and Notes to the Accounts of the 31 December 2023 Annual Report. In addition, the Annual Report includes the Companyâ€™s objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; 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.

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 nor reviewed by the auditors.

On behalf of the Board

**Margaret Littlejohns**
Chair

25 September 2024

**Unaudited Income Statement**
For the six months ended 30 June 2024

| | **Six months ended 30 June 2024** | Six months ended 30 June 2023 | *Year ended 31 December 2023* |
|---|---|---|---|

| Â | **(Unaudited)** | | | (Unaudited) | | | *(Audited)* | | |
|---|---|---|---|---|---|---|---|---|---|
| Â | **Revenue** | **Capital** | **Total** | Revenue | Capital | Total | *Revenue* | *Capital* | *Total* |
| Â | **Â£â€™000** | **Â£â€™000** | **Â£â€™000** | Â£â€™000 | Â£â€™000 | Â£â€™000 | *Â£â€™000* | *Â£â€™000* | *Â£â€™000* |
| Realised gains on investments | **â€”** | **20,950** | **20,950** | â€” | 3,595 | 3,595 | *â€”* | *14,573* | *14,573* |
| Investment holding (losses)/gains | **â€”** | **(6,372)** | **(6,372)** | â€” | 5,048 | 5,048 | *â€”* | *2,833* | *2,833* |
| Income | **2,173** | **â€”** | **2,173** | 1,915 | â€” | 1,915 | *5,372* | *â€”* | *5,372* |
| Investment management fees | **(541)** | **(3,340)** | **(3,881)** | (503) | (2,619) | (3,122) | *(1,004)* | *(4,481)* | *(5,485)* |
| Other expenses | **(374)** | **â€”** | **(374)** | (438) | â€” | (438) | *(817)* | *â€”* | *(817)* |
| **Return on ordinary activities before taxation** | **1,258** | **11,238** | **12,496** | 974 | 6,024 | 6,998 | *3,551* | *12,925* | *16,476* |
| Taxation | **(263)** | **263** | **â€”** | (93) | 93 | â€” | *(476)* | *476* | *â€”* |
| **Return on ordinary activities after taxation** | **995** | **11,501** | **12,496** | 881 | 6,117 | 6,998 | *3,075* | *13,401* | *16,476* |
| **Return per share** | **0.4p** | **4.3p** | **4.7p** | 0.4p | 2.6p | 3.0p | *1.3p* | *5.6p* | *6.9p* |

The total columns of this statement are 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 period.

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.

The Company has only one class of business and one reportable segment, the results of which are set out in the Income Statement and Balance Sheet.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted earnings per share figures are relevant. The basic and diluted earnings per share are, therefore, identical.

**Unaudited Reconciliation Of Movements In Shareholdersâ€™ Funds**
For the six months ended 30 June 2024

| Â | Called-up | Share | Capital | Â | Â | Â | Â |
|---|---|---|---|---|---|---|---|
| Â | share | premium | redemption | Distributable | Capital | Revaluation | Â |
| Â | capital | account | reserve | reserve[1] | reserve[1] | reserve | Total |
| Â | Â£â€™000 | Â£â€™000 | Â£â€™000 | Â£â€™000 | Â£â€™000 | Â£â€™000 | Â£â€™000 |
| **As at 1 January 2024** | 2,552 | 92,766 | 1,263 | 24,876 | 27,170 | 70,492 | 219,119 |
| Share issues in the period | 238 | 20,216 | â€” | â€” | â€” | â€” | 20,454 |
| Expenses in relation to share issues | â€” | (637) | â€” | â€” | â€” | â€” | (637) |
| Repurchase of shares | (35) | â€” | 35 | (2,748) | â€” | â€” | (2,748) |
| Realised gains on disposal of investments | â€” | â€” | â€” | â€” | 20,950 | â€” | 20,950 |
| Investment holding losses | â€” | â€” | â€” | â€” | â€” | (6,372) | (6,372) |
| Dividends paid | â€” | â€” | â€” | (30,714) | â€” | â€” | (30,714) |
| Management fees charged to capital | â€” | â€” | â€” | â€” | (3,340) | â€” | (3,340) |
| Revenue return for the period before taxation | â€” | â€” | â€” | 1,258 | â€” | â€” | 1,258 |
| Taxation for the period | â€” | â€” | â€” | (263) | 263 | â€” | â€” |
| **As at 30 June 2024** | **2,755** | **112,345** | **1,298** | **(7,591)** | **45,043** | **64,120** | **217,970** |

1. Reserve is available for distribution; total distributable reserves at 30 June 2024 total Â£37,452,000 (31 December 2023: Â£52,046,000).

**Unaudited Balance Sheet**
At 30 June 2024

Registered number: 03421340

| Â | **As at** | As at | *As at* |
|---|---|---|---|
| Â | **30 June** | 30 June | *31 December* |

| Â | 2024 | 2023 | 2023 |
|---|---|---|---|
| Â | **(Unaudited)** | (Unaudited) | *(Audited)* |
| Â | **Â£â€™000** | Â£â€™000 | *Â£â€™000* |
| **Fixed assets** | **Â** | Â | *Â* |
| Investments held at fair value through profit or loss | **156,332** | 171,153 | *171,348* |
| **Current assets** | **Â** | Â | *Â* |
| Debtors | **5,495** | 4,545 | *3,510* |
| Cash and cash equivalents | **58,984** | 36,938 | *46,200* |
| **Total current assets** | **64,479** | 41,483 | *49,710* |
| **Creditors** | **Â** | Â | *Â* |
| Amounts falling due within one year | **(2,841)** | (1,632) | *(1,939)* |
| **Net current assets** | **61,638** | 39,851 | *47,771* |
| **Net assets** | **217,970** | 211,004 | *219,119* |
| Â | **Â** | Â | *Â* |
| **Capital and reserves** | **Â** | Â | *Â* |
| Called-up share capital | **2,755** | 2,455 | *2,552* |
| Share premium account | **112,345** | 81,297 | *92,766* |
| Capital redemption reserve | **1,298** | 1,222 | *1,263* |
| Distributable reserve | **(7,591)** | 35,652 | *24,876* |
| Capital reserve | **45,043** | 17,671 | *27,170* |
| Revaluation reserve | **64,120** | 72,707 | *70,492* |
| **Equity shareholdersâ€™ funds** | **217,970** | 211,004 | *219,119* |
| **Net Asset Value per share** | **79.1p** | 85.9p | *85.9p* |

**Unaudited Cash Flow Statement**
For the six months ended 30 June 2024

| Â | **Six months ended** | Six months ended | *Year ended 31 December* |
|---|---|---|---|
| Â | **30 June 2024** | 30 June 2023 | *Â 2023* |
| Â | **(Unaudited)** | (Unaudited) | *(Audited)* |
| Â | **Â£â€™000** | Â£â€™000 | *Â£â€™000* |
| **Cash flow from operating activities** | **Â** | Â | *Â* |
| Loan interest received from investments | **532** | 850 | *2,212* |
| Dividends received from investments | **206** | 580 | *1,525* |
| Other income received from investments | **â€”** | â€” | *284* |
| Deposit and similar interest received | **1,233** | 487 | *1,326* |
| Investment management fees paid | **(2,168)** | (2,011) | *(4,014)* |
| Performance incentive fee paid | **(1,467)** | â€” | *â€”* |
| Secretarial fees paid | **(33)** | (65) | *(130)* |
| Other cash payments | **(238)** | (340) | *(631)* |
| **Net cash (outflow)/inflow from operatingÂ activities** | **(1,935)** | (499) | *572* |
| **Cash flow from investing activities** | **Â** | Â | *Â* |
| Purchase of investments | **(8,880)** | (8,721) | *(19,352)* |
| Net proceeds on sale of investments | **34,526** | 14,515 | *33,566* |
| Net proceeds on deferred consideration | **2,168** | â€” | *1,171* |
| **Net cash inflow from investing activities** | **27,814** | 5,794 | *15,385* |
| **Cash flow from financing activities** | **Â** | Â | *Â* |
| Proceeds of fundraising | **14,604** | 23,692 | *33,547* |
| Expenses of fundraising | **(521)** | (589) | *(599)* |
| Repurchase of own shares | **(1,992)** | (2,313) | *(5,755)* |
| Equity dividends paid | **(25,186)** | (8,672) | *(16,475)* |
| **Net cash (outflow)/inflow from financingÂ activities** | **(13,095)** | 12,118 | *10,718* |
| **Net inflow of cash in the period** | **12,784** | 17,413 | *26,675* |
| **Reconciliation of net cash flow to movementÂ in net funds** | **Â** | Â | *Â* |
| Increase in cash and cash equivalents forÂ theÂ period | **12,784** | 17,413 | *26,675* |
| Net cash and cash equivalents at start ofÂ period | **46,200** | 19,525 | *19,525* |

| **Net cash and cash equivalents at end ofÂ period** | **58,984** | 36,938 | *46,200* |
|---|---|---|---|

**Analysis of changes in net debt**

| Â | At 1 January 2024 Â£â€™000 | Â Cash flow Â£â€™000 | **At 30 June 2024 Â£â€™000** |
|---|---|---|---|
| Cash and cash equivalents | 46,200 | 12,784 | **58,984** |

**Notes To The Unaudited Half-Yearly Results**
For the six months ended 30 June 2024

**1**
The Unaudited Half-Yearly Financial Report has been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31Â DecemberÂ 2023. Unquoted investments have been valued in accordance with IPEV ValuationÂ Guidelines.

**2**
These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2024 and 30 June 2023 has been neither audited nor formally reviewed. Statutory accounts in respect of the year ended 31Â DecemberÂ 2023 have been audited and reported on by the Companyâ€™s auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 December 2023 have been reported on by the Companyâ€™s auditors or delivered to the Registrar of Companies.

**3**
Copies of the Unaudited Half-Yearly Financial Report will be sent to shareholders via their chosen method and will be available for inspection at the Registered Office of the Company atÂ The Shard, 32 London Bridge Street, London SE1 9SG.

**4 Net Asset Value per share**
The Net Asset Value per share is based on net assets at the end of the period and on the number of shares in issue at the date.

| Â | Â Net assets | Number of shares in issue |
|---|---|---|
| **30 June 2024** | **Â£217,970,000** | **275,478,783** |
| 30 June 2023 | Â£211,004,000 | 245,495,673 |
| *31 December 2023* | *Â£219,119,000* | *255,218,477* |

**5 Return per share**
The weighted average number of shares used to calculate the respective returns are shown in the table below.

| Â | Shares |
|---|---|
| **Six months ended 30 June 2024** | **268,125,349** |
| Six months ended 30 June 2023 | 232,668,471 |
| *Year ended 31 December 2023* | *240,044,732* |

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

**6 Income**

| Â | **Six months ended 30 June 2024 Â£â€™000** | Six months ended 30 June 2023 Â£â€™000 | *Â Year ended 31 December 2023 Â£â€™000* |
|---|---|---|---|
| Loan stock interest | **734** | 848 | *2,237* |
| Dividends receivable | **206** | 580 | *1,525* |
| Deposit and similar interest received | **1,233** | 487 | *1,326* |
| Other income | **â€”** | â€” | *284* |
| Â | **2,173** | 1,915 | *5,372* |

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

| Â | Â£â€™000 |
|---|---|
| Book cost as at 1 January 2024 | 103,944 |
| Investment holding gains | 67,404 |
| Valuation at 1 January 2024 | 171,348 |
| Movements in the period: | Â |
| Purchases | 8,880 |
| Disposal proceeds[1] | (34,526) |
| Realised gains[2] | 18,782 |
| Investment holding losses[3] | (8,152) |
| **Valuation at 30 June 2024** | **156,332** |
| Book cost at 30 June 2024 | 97,080 |
| Investment holding gains | 59,252 |
| **Valuation at 30 June 2024** | **156,332** |

1. The Company received Â£34,526,000 from the disposal of investments during the period. The book cost of these investments when they were purchased was Â£15,744,000. These investments have been revalued over time and until they were sold, any unrealised gains or losses were included in the fair value of the investments.
2. Realised gains in the Income Statement include deferred consideration receipts from Codeplay Software Limited (Â£1,030,000), Mowgli Street Food Group Limited (Â£824,000), Datapath Group Limited (Â£292,000) and Mologic Ltd (Â£22,000).
3. Investment holding losses in the Income Statement include the deferred consideration debtor increase of Â£1,780,000. The debtor movement reflects the recognition of amounts receivable from Callen-Lenz Associates Limited (Â£2,853,000), Specac International Limited (Â£704,000), Ollie Quinn Limited (Â£386,000) and So-Sure Limited (Â£11,000) offset by receipts from Codeplay Software Limited (Â£1,030,000), Mowgli Street Food Group Limited (Â£824,000), Datapath Group Limited (Â£292,000) and Mologic Ltd (Â£22,000) and a provision made against the balance potentially due from Ixaris Systems Ltd (Â£6,000).

**8 Performance incentive fee**

In order to incentivise the Manager to generate enhanced returns for shareholders, the Manager will potentially be entitled to performance incentive payments in respect of each financial year commencing on or after 1 January 2023 where the Company achieves an average annual NAV Total Return per share, over a rolling five-year period, in excess of an average annual hurdle of 5% (simple not compounded). If the hurdle is met, the Manager would be entitled to an amount equal to 20% of the excess over the hurdle subject to a cap of 1% of the closing Net Asset Value for the relevant financial year (and no fee will be due in excess of this cap).

Where there is a negative return in the relevant financial year, no fee shall be payable even if the hurdle is exceeded. However, the potential fee will be carried forward and will become due at the end of the next financial year if the performance hurdle described above for that next financial year is achieved and the negative return in the preceding financial year is recovered in that next financial year. Any such catch-up fees shall be paid alongside any fee payable for the next financial year subject to the 1% cap applying to both fees in aggregate. Any such catch-up fees cannot be rolled further forward to subsequent financial years.

The new performance incentive scheme, as described above and in the Chairâ€™s Statement of the Companyâ€™s 31 December 2023 Annual Report and Accounts, was formally approved by shareholders at the General Meeting held on 15Â JuneÂ 2023. The first performance incentive payment under this scheme of Â£1,467,000 relating to the year ended 31 December 2023 was made on 30 April 2024.

***Estimation of the financial effect***

As at 30 June 2024, the NAV Total Return since 31 December 2019 was 38.5p (being the aggregation of NAV per share as at 30 June 2024, before any performance incentive provision, of 79.7p and dividends paid per share in the period totalling 35.3p less the NAV per share as atÂ 31 December 2019 of 76.5p) giving an average annual NAV Total Return per share of 7.7p. This compares to the average annual hurdle of 3.8p based on the opening NAV per share of 76.5p as at 31 December 2019 and therefore an excess of 3.9p over the hurdle.

If NAV Total Return for the year ending 31 December 2024, the Net Asset Value of the Company as at 31 December 2024 and the weighted average number of shares in issue over the fiveâ€‘year period to 31 December 2024 remained unchanged from their positions as at 30 June 2024, the Manager would be entitled to a performance incentive payment of Â£1.7 million, which has been provided for in the financial statements.

**9 Related party transactions**

No Director has an interest in any contract to which the Company is a party other than their appointment and payment as Directors.

**10 Transactions with the Manager**

Foresight Group LLP was appointed as Manager on 27 January 2020 and earned fees of Â£2,165,000 up to 30 June 2024 (30 June 2023: Â£2,011,000, 31 December 2023: Â£4,018,000). Performance incentive fees of Â£1,716,000 have been accrued as at 30 June 2024 (30 June 2023: Â£1,111,000, 31 December 2023: Â£1,467,000).

Foresight Group LLP is the Company Secretary (appointed in November 2017) and received, directly and indirectly, for accounting and company secretarial services, fees of Â£65,000 during the period (30 June 2023: Â£65,000, 31 December 2023: Â£130,000).

At the balance sheet date there was Â£33,000 due to Foresight Group LLP (30 June 2023: Â£nil, 31Â December 2023: Â£4,000).Â

A copy of the Unaudited Half-Yearly Financial Report will be submitted to the National Storage Mechanism in accordance with UK Listing Rules (â€œUKLRâ€)11.4.1 / UKLR 6.4.1 and UKLR 6.4.3.

**END**

For further information, please contact:
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Investor Relations
Foresight Group LLP
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