

FORESIGHT TECHNOLOGY VCT PLC

LEI: 21380013CXOR8N6OD977

Financial Highlights

Company

- Net Asset Value per FWT Share at 30 September 2024 was 98.2p (31 March 2024: 98.8p).
- During the period, under the Offer for subscription for the Foresight WAE Technology Shares fund (the “FWT Shares fund”), dated 6 September 2023, £3.1 million of new funds were raised.
- During the period, the Company invested in four new portfolio companies and executed five follow-on investments into existing companies.
- Since the end of the reporting period, a further £2.5 million has been raised, bringing the total funds raised to £38.0 million.
- Since the end of the reporting period, one new and three follow-on investments have been made, bringing total deployment to £27.1 million.

Chairman’s Statement

On behalf of the Board, I am pleased to present the Unaudited Half-Yearly Financial Report for Foresight Technology VCT Plc for the six months ended 30 September 2024 and to provide you with an update on the developments affecting the Company.

COMPANY

The Foresight WAE Technology VCT share class (the “FWT Shares”) was launched in December 2019, and represents an exciting investment opportunity made possible by the collaboration between Foresight Group and WAE Technologies Limited (“WAE”), a technology and engineering services business, originally spun out of the Williams Formula 1 business.

The share class provides investors with the opportunity to invest in a portfolio of early-stage companies with high growth-potential, developing innovative and occasionally transformational technologies across a range of different sectors. It builds on the successful relationship that Foresight and WAE have enjoyed from their launch of the Foresight WAE Technology EIS Fund (the “EIS fund”) in November 2016, which has raised over £60 million to date and has made over thirty investments across a range of different sectors so far.

Fundraising and share issues

The Offers for subscription, dated 6 September 2023 and relaunched on 5 September 2024, are each up to £15 million (with an overallotment facility for up to an additional £10 million) through the issue of FWT Shares. During the six months ended 30 September 2024, across the latter Offer, 3.0 million FWT Shares were allotted, raising a further £3.1 million, bringing the total funds raised to over £35.5 million.

Post period end, a further 2.5 million FWT Shares were allotted, increasing the total funds raised to £38.0 million.

Portfolio and deal activity

During the period the Net Asset Value per share decreased by 0.6% from 98.8p per share as at 31 March 2024 to 98.2p as at 30 September 2024. A detailed analysis of the investment portfolio performance over the period is given in the Investment Manager’s Review.

During the period under review the Investment Manager completed four new and five follow-on investments in exciting companies costing a total of £4.2 million. The new investments that were completed in the period were into Cavero Quantum Limited, Lifelight Limited, Bitfour Limited and Illunion Limited. The follow-on investments that were completed in the period were into, Acuflo Limited, dRisk Inc, Vector Photonics Limited, Forefront RF Limited and VividQ Limited.

Details of each of the top 10 companies by value as at 30 September 2024 can be found in the Investment Manager’s review.

As at 30 September 2024, the FWT shares had made investments totalling £24.4 million in 32 exciting portfolio companies. An additional two investments were acquired as part of the merger with the Ordinary share class, bringing the total number of investments for the FWT Share class to 34. Post period end, the FWT Shares made one new and three follow-on investments totalling £2.7 million.

The Investment Manager continues to see a strong pipeline of potential investments sourced through its regional networks and well developed relationships with advisers and the SME community; however, it is also focused on supporting the existing portfolio through the current economic environment. Following the fundraising over the last couple of years, as well as the fundraising for the ongoing September 2024 Offer, the Company is in a position to fully support the portfolio, where appropriate, and exploit potential attractive investment opportunities.

Management fees

The annual management fee of the Company is calculated as 2.0% of Net Assets and equated to £348,000 during the period. The Board believe that the annual management fee represents good value for investors.

Responsible investing

The analysis of environmental, social and governance (‘ESG’) issues is embedded in the Investment Manager’s investment process and these factors are considered key in determining the quality of a business and its long-term success. Central to the Investment Manager’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, these portfolio companies are assessed and progress measured against these principles.

Buybacks

On 20 September 2023, the Board announced a variation to the buyback policy for the former Ordinary Shareholders that would allow them to benefit from a buyback at a nil discount to NAV in respect of FWT Shares, which they hold as a result of the share class merger that completed on 5 July 2023. This Buyback offer remained open until 20 September 2024.

The buyback under variation of the policy was completed post period end on 1 October 2024 with 88,986 shares being purchased at a price of 98.3p per share.

Sunset clause

As explained in the Annual Report, a ‘sunset clause’ applies to the current approved scheme for EIS and VCT tax reliefs. In the Annual Report we discussed how this clause provides that income tax relief will expire on subscriptions made for VCT shares on or after 6 April 2025, unless the legislation is amended to make the scheme permanent, or the ‘sunset clause’ is extended.

We are pleased to report that the European Commission has decided not to raise objections in respect of the prolongation of the UK’s VCT scheme by ten years to April 2035. This now removes any recent uncertainty and will help support further investment by the VCT sector in early stage companies.

Outlook

The business environment is improving with interest rates and inflationary pressures beginning to ease. However, the geopolitical landscape of the world is as hostile and uncertain as we have seen it. We are therefore carefully considering how all of these factors, in an ever-changing world, challenge the investment thesis.

We do, however, have the benefit of these developing companies in which we invest on the whole being able to more swiftly adapt to the fast-moving environment in which we operate with the benefit of our experienced Investment Manager and a continued strong funding base.

We have a diverse portfolio of investments and we are confident that our continued focus on the wider business landscape, alongside the Investment Manager’s deep understanding of the individual investee companies in which we invest, will protect us from the most extreme market conditions. We have a strong balance sheet with a diversified portfolio that we believe will provide sustainable long-term value for Shareholders.

The Investment Manager is continuing to see a promising pipeline of potential investments, both new and follow-on. In addition to the funds raised earlier in the year, we have already launched a new offer on 5 September 2024 to raise further funds over the coming months. These combined funds will provide the necessary resources to make selective acquisitions from the increasing numbers of investment opportunities that are now emerging out of the recent disruption. Although in the short term there may be considerable economic headwinds, we believe the Company’s diversified portfolio is well positioned to generate long-term value for Shareholders.

Ernie Richardson

Chairman

20 December 2024

FWT Shares

Investment Manager’s Review

Summary

Between its launch on 20 December 2019 and the end of the reporting period, the Company has raised £35.5 million. The Offer provides investors with the opportunity to invest in a portfolio of early-stage companies with high growth-potential, developing innovative and occasionally transformational technologies across a range of different sectors. As at 30 September 2024, the Company had made investments into 34 companies totalling £24.4 million. Exit opportunities are currently being actively reviewed with a hope to realise value from the investment portfolio in the next financial year. Investments into four new and five existing companies were made during the period. These investments are summarised below:

Bitfount*: a connector of data owners, algorithm developers and problem solvers to enable training, running and evaluation of AI models and advanced analytics without any data centralisation.

Cavero Quantum*: developer of the most secure, software-based cryptographic keys in the world.

dRisk: an AI company developing a new kind of human-AI interaction tool for making predictions, finding unknown unknowns and getting more value out of enterprise data.

Forefront RF: a manufacturer of next generation radio frequency modules.

Illunion*: developer of high-throughput optical tools to accelerate battery material development.

Lifelight*: developer of an app which can take blood pressure, pulse and breathing rate estimates in 40 seconds, just by looking into a mobile device.

Acu-Flow: a developer of surface acoustic wave nebulisers enabling the delivery of next-generation respiratory pharmaceuticals.

Vector Photonics: a University of Glasgow spin-out commercialising the next generation of semiconductor laser devices. VividQ: a technology company enabling the next generation of holographic displays.

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*New Investment in the period.

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 for the year ended 31 March 2024. A detailed explanation can be found on pages 30 and 31 of the Annual Report and Accounts which is available on Foresight Group's website www.foresightgroup.eu or by writing to Foresight Group LLP at: The Shard, 32 London Bridge Street, London, SE1 9SG.

In the view of the Board, there have been no changes to the fundamental nature of these risks since the previous Annual Report and Accounts. The emerging risks identified in the previous report included those of climate change, inflationary pressures, interest rates, supply chain issues, energy prices and geopolitical tensions. These emerging risks continue to apply and be monitored. The Board and the Investment 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 Investment Manager to work closely with portfolio companies, preparing them so far as possible to ensure they are well positioned to endure potential volatility.

Directors' Responsibility Statement

The Disclosure and Transparency Rules ("DTR") of the Financial Conduct 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 Half-Yearly Financial 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 Half-Yearly Financial 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 Strategic Report of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Strategic Report and Notes to the Accounts of the 31 March 2024 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 its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with investments and through the cash generated from fundraising activities. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a 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

Ernie Richardson

Chairman

20 December 2024

Unaudited Income Statement Â Â Â Â Â Â
for the six months ended 30 September
2024 Â Â Â Â Â Â

Â	Six months ended 30 September 2024			Six months ended 30 September 2023			Year ended 31 March 2024		
Â	Â (unaudited)			Â (unaudited)			Â (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
Investment holding gains/(losses)	â€”	220	220	â€”	(856)	(856)	â€”	(1,086)	(1,086)
Income	140	â€”	140	866	â€”	866	941	â€”	941
Investment management fees	(87)	(261)	(348)	(62)	(186)	(248)	(135)	(404)	(539)
Other expenses	(232)	â€”	(232)	(235)	â€”	(235)	(459)	â€”	(459)
(Loss)/return before taxation	(179)	(41)	(220)	569	(1,042)	(473)	347	(1,490)	(1,143)
Taxation	â€”	â€”	â€”	â€”	â€”	â€”	â€”	â€”	â€”
(Loss)/return after taxation	(179)	(41)	(220)	569	(1,042)	(473)	347	(1,490)	(1,143)
(Loss)/return per share	Â	Â	Â	Â	Â	Â	Â	Â	Â
FWT share	(0.5)p	(0.1)p	(0.6)p	(1.0)p	(0.9)p	(1.9)p	(1.8)p	(2.5)p	(4.3)p
Ordinary share	n/a	n/a	n/a	2.3p	(2.4)p	(0.1)p	2.3p	(2.4)p	(0.1)p

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 Shareholders' Funds

for the six months ended 30 September 2024

	Called-up share capital	Share premium account	Capital redemption reserve	Distributable reserve*	Capital reserve*	Revaluation reserve	Total
Â	Â£'000	Â£'000	Â£'000	Â£'000	Â£'000	Â£'000	Â£'000
As at 1 April 2024	324	29,132	208	272	199	1,923	32,058
Share issues in the period	31	3,083	â€"	â€"	â€"	â€"	3,114
Expenses in relation to share issues	â€"	(116)	â€"	â€"	â€"	â€"	(116)
Investment holding gains	â€"	â€"	â€"	â€"	â€"	220	220
Management fees charged to capital	â€"	â€"	â€"	â€"	(261)	â€"	(261)
Revenue loss for the period	â€"	â€"	â€"	(179)	â€"	â€"	(179)
As at 30 September 2024	355	32,099	208	93	(62)	2,143	34,836

* Total distributable reserves at 30 September 2024 were Â£31,000 (31 March 2024: Â£471,000).

Unaudited Balance SheetÂ at 30 September 2024

Registered Number: 07289280

	As at 30 September 2024 (unaudited) Â£â€™000	As at 30 September 2023 (unaudited) Â£â€™000	As at 31 March 2024 (audited) Â£â€™000
Fixed assets	Â	Â	Â
Investments held at fair value through profit or loss	26,560	20,048	22,111
Current assets	Â	Â	Â
Debtors	88	88	983
Cash and cash equivalents	8,435	5,848	9,276
Â	8,523	5,936	10,259
Creditors	Â	Â	Â
Amounts falling due within one year	(247)	(306)	(312)
Net current assets	8,276	5,630	9,947
Net assets	34,836	25,678	32,058
Capital and reserves	Â	Â	Â
Called-up share capital	355	254	324
Share premium	32,099	22,152	29,132
Capital redemption reserve	208	208	208
Distributable reserve	93	494	272
Capital reserve	(62)	417	199
Revaluation reserve	2,143	2,153	1,923
Equity shareholders' funds	34,836	25,678	32,058
Net asset value per share	Â	Â	Â
FWT Share	98.2p	101.0p	98.8p

Unaudited Cash Flow Statement

for the six months ended 30 September 2024

Â	Six months ended 30 September	Six months ended	Year ended 31 March
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	2024 (unaudited) £'000	30 September 2023 (unaudited) £'000	2024 (audited) £'000
Cash flow from operating activities	£	£	£
Deposit and similar interest received	140	44	119
Investment management fees paid	(216)	(261)	(689)
Secretarial fees paid	(27)	(39)	(103)
Other cash payments	(195)	(149)	(371)
Net cash outflow from operating activities	(298)	(405)	(1,044)
Cash flow from investing activities	£	£	£
Purchase of investments	(3,500)	(853)	(3,146)
Investments pending completion	£"	£"	(729)
Net proceeds on sale of investments	£"	£"	£"
Investment income received	£"	822	822
Net cash outflow from investing activities	(3,500)	(31)	(3,053)
Cash flow from financing activities	£	£	£
Proceeds of fund raising	3,087	2,816	9,996
Expenses of fund raising	(130)	(66)	(157)
Equity dividends paid	£"	(1,903)	(1,903)
Net cash inflow from financing activities	2,957	847	7,936
Net (outflow)/inflow of cash in the period	(841)	411	3,839
Reconciliation of net cash flow to movement in net funds	£	£	£
(Decrease)/increase in cash for the period	(841)	411	3,839
Net cash at start of period	9,276	5,437	5,437
Net cash at end of period	8,435	5,848	9,276
£	At 1		At 30
	April		September
Analysis of changes in net debt	2024	Cash Flow	2024
	£'000	£'000	£'000
Cash and cash equivalents	9,276	(841)	8,435

Notes to the Unaudited Half-Yearly Results

for the six months ended 30 September 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 31 March 2024. Unquoted investments have been valued in accordance with International Private Equity and Venture Capital Valuation Guidelines (as updated in December 2022).

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 2024 and 30 September 2023 has been neither audited nor formally reviewed. Statutory accounts in respect of the year ended 31 March 2024 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 2024 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

3. Copies of the Unaudited Half-Yearly Financial Report for the six months ended 30 September 2024 will be sent to shareholders via their chosen method of communication and are available for inspection at the Registered Office of the Company at The Shard, 32 London Bridge Street, London, SE1 9SG. Copies are also available electronically at www.foresightgroup.eu.

4. Net asset value per share

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

	Net assets FWT £'000	Number of Shares in issue
30 September	34,836	35,459,937

2024

30 September	25,678	25,419,835
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2023

31 March 2024	32,058	32,445,165
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5 Return per share

The weighted average number of shares used to calculate the respective returns are shown in the table below:

	Number of Shares	
	Ordinary Shares	FWT Shares
Six months ended 30 September 2024	n/a	35,347,041
Six months ended 30 September 2023	34,593,623	24,608,698
Six months ended 31 March 2024	34,593,623	26,203,986

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

6 Income

	Six months ended 30 September 2024 (unaudited)	Six months ended 30 September 2023 (unaudited)	Year ended 31 March 2024 (audited)
	£'000	£'000	£'000
Dividends received	822	822	822
Bank interest	140	44	119
Total Income	140	866	941

7 Investments held at fair value through profit or loss

	£'000
Book cost at 1 April 2024	20,188
Investment holding gains at 1 April 2024	1,932
Valuation at 1 April 2024	22,111
Movements in the period:	
Purchases at cost	4,229
Disposal proceeds	—
Realised gains	—
Investment holding gains	220
Valuation at 30 September 2024	26,560
Book cost at 30 September 2024	24,417
Investment holding gains at 30 September 2024	2,143
Valuation at 30 September 2024	26,560

8 Transactions with the Investment Manager

Foresight Group LLP was appointed as Investment Manager on 27 January 2020 and earned fees of £348,000 in the six months ended 30 September 2024 (six months ended 30 September 2023: £248,000; year ended 31 March 2024: £539,000).

Foresight Group LLP is the Company Secretary (appointed in November 2017) and received, directly and indirectly, for accounting and company secretarial services, fees of £50,000 in the six months ended 30 September 2024 (six months ended 30 September 2023: £39,000; year ended 31 March 2024: £81,000).

At the balance sheet date there was no balance due from or to (30 September 2023: £22,000 due from; 31 March 2024: £46,000 due to) Foresight Group LLP. No amounts have been written off in the period in respect of debts due to or from related parties

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 Post balance sheet event

Between the year end and the date of this report, under the offer for subscription to raise up to £15 million FWT shares (with an overallotment

facility to raise up to a further Â£10 million), the Company issued a total of 2,463,884 shares which raised funds of Â£2.5 million.

Between the 30 September 2024 and the date of this report, the company invested a total of Â£2.7 million across one new and three existing investee companies.

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For further information please contact:

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