

# FORESIGHT ENTERPRISE VCT PLC

LEI: 213800MWJNR3WZZ3ZP42

24 April 2025

Final results

31 December 2024

Foresight Enterprise VCT plc, managed by Foresight Group LLP, today announces the final results for the year ended 31 December 2024.

These results were approved by the Board of Directors on 23 April 2025.

The Annual Report will shortly be available in full at [www.foresightenterprisevct.com](http://www.foresightenterprisevct.com). All other statutory information can also be found there.

## FINANCIAL HIGHLIGHTS

- After adding back dividend payments of **15.4p** per share during the year, NAV Total Return per share as at 31 December 2024 was **69.9p**, representing an increase in NAV Total Return of **6.6%** in the year.
- Four new investments costing **£8.4 million** and six follow-on investments costing **£6.0 million** were made during the year.
- The Company fully exited its investments in Specac International Limited, Callen-Lenz Associates Limited, So-Sure Limited and Crosstown Dough Ltd, realising gains of **£28.5 million** in the year and returning proceeds of **£34.3 million** to the Company.
- In the year, the value of the investment portfolio rose by **£9.7 million**.
- The Company paid special dividends totalling **12.1p** per share (**5.0p** on 19 January 2024 and **7.1p** on 15 November 2024), returning in aggregate **£32.1 million** to Shareholders.
- An interim dividend of **3.3p** per share was paid on 12 July 2024, returning **£8.8 million** to Shareholders.
- In light of further recent exits, the Board declared an interim special dividend of **3.1p** per share on 15 April 2025, payable on 16 May 2025.
- The offer for subscription launched on 1 November 2024 was closed to applications on 6 December 2024 and raised a total of **£28.8 million** after expenses.

## CHAIRMAN'S STATEMENT

I am pleased to present the audited Annual Report and Accounts for the year ended 31 December 2024 and to report an increase in Net Asset Value Total Return of 6.6% for the year including a dividend yield of 30.5%.

### Portfolio overview

46

Investments as at 31 December 2024

**£9.7m**

Increase in valuation of investments in the year ended 31 December 2024

**£34.6m**

Cash proceeds generated from disposal of investments in the year ended 31 December 2024

### Overview of 2024

The UK's economy is expected to continue its very gradual recovery in 2025, following what can at best be described as modest GDP growth in 2024. Inflation has eased, though lingering cost pressures persist in key sectors such as food and energy. Interest rates, which fell from 5.25% to 4.75% in 2024, have been cut to 4.5% as at the time of writing and are expected to fall further, albeit more slowly than was anticipated a year ago.

The Company's portfolio in aggregate performed well against this backdrop, although some individual investee companies are still struggling with weak consumer demand, high interest rates, 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 started to pick up.

In the year ended 31 December 2024, the valuation of investments in the portfolio increased by **£9.7 million**.

### Strategy

The Board believes that it is in the best interests of Shareholders to continue to pursue a strategy of:

- Growth in Net Asset Value Total Return above a 5% annual target while continuing to grow the Company's assets
- Payment of annual dividends of at least 5% of the NAV per Share based on the opening NAV per Share of that financial year
- Implementation of a significant number of new and follow-on investments, exceeding deployment requirements to maintain VCT status
- Maintaining a programme of regular share buybacks at a discount of 5%, subject to market conditions

Central to the Company being able to achieve these objectives is the ability of the Manager to source and complete attractive new qualifying investment opportunities and exits.

## Performance and portfolio activity

During the year Net Asset Value per share decreased by 16.9% from 65.6p at 31 December 2023 to 54.5p at 31 December 2024. After adding back the payments of 15.4p in dividends made in the year, NAV Total Return per share at 31 December 2024 was 69.9p, representing a positive total return of 6.6%. The percentage increase in total return per share from an investment in the Company's shares made five years ago is 34.6%, which is well above the minimum target return set by the Board of 5% per annum. Exceeding this target is at the centre of the Company's current and future portfolio management objectives. Factoring in the 30% upfront income tax relief as well as fees paid on entry, a 5% discount on buyback, and assuming that dividends are reinvested when paid, £10,000 invested on 1 January 2020 would have yielded £16,419 as at 31 December 2024, representing a capital gains tax exempt gain of £6,419 or a 12.8% average return per annum. These positive movements are a result of the strategy and business changes throughout the portfolio alluded to above.

During the year the Manager completed four new investments and six follow-on investments costing £8.4 million and £6.0 million respectively. The Manager also fully exited Callen Lenz Associates Limited and Specac International Limited, generating proceeds of £34.3 million at completion. This, together with cash returns received during the investment period and deferred consideration totalling £5.3 million, is an exceptional achievement from a combined initial investment of £6.2 million and represents a cash-on-cash multiple of 6.4 times. The Manager also exited two challenged businesses, Crosstown Dough Ltd and So-Sure Limited, during the period. Further details of these investments and realisations can be found in the Manager's Review.

After the year end, the Company made one new and five follow-on investments totalling £5.2 million. Furthermore, in February 2025, the Company realised its holding in Hospital Services Group Limited. The exit generated proceeds of £9.3 million at completion, with potential for a further up to £0.4 million in the coming years. This, together with 0.4 million of returns received during the investment period, implies a total cash-on-cash return of up to 8.4 times the initial investment, equivalent to an IRR of 25.7%. Further details of these investments and realisations can be found in the Manager's Review.

The 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. It is also focused on supporting the existing portfolio through the current economic climate. Following the successful fundraise launched in November 2024, the Company is in a position to fully support the portfolio, where appropriate, and exploit potential attractive investment opportunities.

The Board and the Manager are confident that a number of new and follow-on investments can be achieved this year, particularly with the increased investment activity noted above. Details of each of these new, existing and former portfolio companies can be found in the Manager's Review in the Annual Report.

An offer for subscription to raise further funds was launched on 1 November 2024. The offer was closed to applications on 6 December 2024 and raised gross proceeds of £30.0 million, £28.8 million after expenses, as detailed in the post-balance sheet events in note 20 of the Annual Report. The Board would like to thank those existing Shareholders who have already supported this offer and welcome all new Shareholders to the Company.

## Responsible investing

The analysis of environmental, social and governance (ESG) issues is embedded in the 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 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. More detailed information about the process can be found on pages 43 to 46 of the Manager's Review in the Annual Report.

## Dividends

A special interim dividend of 5.0p per share was declared on 14 December 2023 based on an ex-dividend date of 4 January 2024 and a record date of 5 January 2024. This dividend was paid on 19 January 2024, returning £13.2 million to Shareholders. Additionally, an interim dividend of 3.3p per share was declared on 11 June 2024 based on an ex-dividend date of 27 June 2024 and a record date of 28 June 2024. This dividend was paid on 12 July 2024, returning £8.8 million to Shareholders. Finally, a second special interim dividend of 7.1p per share was declared on 22 October 2024 based on an ex-dividend date of 31 October 2024 and a record date of 1 November 2024. This dividend was paid on 15 November 2024, returning £18.9 million to Shareholders.

Post year end and following a period of successful realisations, the Board has declared a special dividend of 3.1p per share to be paid on 16 May 2025, based on an ex-dividend date of 1 May 2025 and with a record date of 2 May 2025.

As noted in prior Annual Report and Accounts, and in light of the change in portfolio towards earlier-stage, higher-risk companies as required by the VCT rules, the Board felt it prudent in 2020 to adjust the dividend policy towards a targeted annual dividend yield of 5% of NAV per annum. The Board and the Manager continue to hope that this may be enhanced by additional special dividends as and when particularly successful portfolio exits are made.

## Buybacks

Buybacks in the year totalled £9.4 million and the Board is pleased to have achieved an average discount of 5.0% to the Net Asset Value per share. The Board continues to have an objective of maintaining buybacks at a discount of 5%, subject to market conditions.

## Management charges and performance incentive

The annual management fee is an amount equal to 2.0% of net assets. This has resulted in ongoing charges, as defined in the Glossary of Terms in

the Annual Report, for the period ended 31 December 2024 of 2.3%, which is at the lower end of the range when compared to competitor VCTs.

### **Shareholder communication**

We were delighted to meet with some Shareholders in person at the AGM last year. We hope many of you will be available to attend this year's AGM on 10 June 2025, as detailed below.

### **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 all its responsibilities.

### **Annual General Meeting**

The Company's Annual General Meeting will take place on 10 June 2025 and we look forward to meeting as many of you as possible in person. Please refer to the formal notice on pages 104 to 107 in the Annual Report for further details in relation to the format of this year's meeting. We would encourage you to submit your votes by proxy ahead of the deadline of 1.00pm on 6 June 2025 and to forward any questions by email to [InvestorRelations@foresightgroup.eu](mailto:InvestorRelations@foresightgroup.eu) in advance of the meeting.

### **VCT Sunset clause**

I am pleased to report that new regulations have been made to extend the UK's VCT scheme by ten years to April 2035, following the European Commission'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 has faced challenges throughout 2024, with GDP growth slowing significantly in the second half of the year. The election of a majority Labour government in July brought some political change, but its economic agenda has faced criticism for its effects on the cost of labour for small businesses. Consumer confidence and business investment have remained subdued, despite the Bank of England's decision to cut its base rate to 4.5% in February 2025. These factors, along with the anticipation of higher energy and water prices pushing up inflation, have led to the UK growth forecasts for 2025 being tempered. There is also still considerable uncertainty in the global economy, contributed to by the results of the US election in November as well as geopolitical tensions persisting.

We are conscious that such economic conditions could prove challenging for our investee companies, which are unquoted, small, early-growth businesses and by their nature entail higher levels of risk and lower liquidity than larger listed companies. In particular the Board has considered the effect of trade tariffs, introduced by the Trump administration in April 2025. These events have had a significant effect on international markets and share price volatility. The Board does not expect there to be a significant direct effect on our portfolio companies due to their unquoted nature and their minimal exposure to US exports. Valuation benchmarks may be impacted and the Board will keep this under close review but the impact is difficult to predict at this point in time.

Nonetheless, the Company'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 market 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. The recent, successful fundraise 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 Company's generalist and diversified portfolio continues to be well positioned to generate long-term value for Shareholders.

**Michael Gray**

Chair

23 April 2025

### **MANAGER'S REVIEW**

As at 31 December 2024 the Company's portfolio comprised 46 investments with a total cost of £76.8 million and a valuation of £109.1 million.

#### **Portfolio diversification**

Technology, Media & Telecommunications (cost 36% | valuation 32%)

Healthcare (cost 29% | valuation 29%)

Consumer & Leisure (cost 9% | valuation 9%)

Industrials & Manufacturing (cost 13% | valuation 8%)

Business Services (cost 11% | valuation 12%)

Other (cost 2% | valuation 10%)

#### **Portfolio summary**

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 26 to 30 in the Annual Report.

In the year to 31 December 2024, the value of the investment portfolio fell by Â£10.5 million as a result of strong exits of several investments and loan repayments realising Â£34.6 million, offset by an increase of Â£9.7 million in the valuation of investments plus Â£14.4 million of new and follow-on investments. Overall, the portfolio has performed well despite uncertainty in the wider market, notably significant geopolitical issues, the UK Budget, the US election and continued domestic price inflation, coupled with higher interest rates.

In line with the Board's strategic objectives, we remain focused on growing the Company through further development of Net Asset Value Total Return. In the year, Net Asset Value Total Return increased by 6.6%, meaning that the Company has successfully met this objective in the period under review.

### **New investments**

2024 was a year of relative calm in financial terms, when compared to recent years. Deal activity across the market has steadily grown throughout the year, suggesting confidence is tentatively returning, although the economic picture in the UK remains finely balanced. Interest rates have remained high, with inflation reducing more slowly than anticipated and the Autumn Budget including tax changes are not helping UK SMEs. Careful management remains crucial to steering portfolio companies through this environment.

We have continued to invest in our deal origination capabilities and identified a large number of potentially attractive investment opportunities during the year.

Over the course of 2024, four new investments were completed, investing a total of Â£8.4 million. New investments were across nurseries, manufacturing, cyber security and tech-enabled services. Behind these, there continues to be a strong pipeline of opportunities that we expect to convert during the next 12 months. Follow-on investments totalling Â£6.0 million were also made in six existing investee companies.

### ***Family Adventures Group Ltd***

In January 2024, the Company invested Â£2.5 million of growth capital into Family Adventures Group, a provider of daycare nurseries and children's leisure sites that combines soft play areas with theatrical role play facilities. All inspected sites have been rated 'Good' by Ofsted and have an average score of 9.9/10 on [daynurseries.co.uk](https://daynurseries.co.uk); whilst the leisure sites have market-leading Net Promoter Scores and high repeat visits. The 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 ('UAS') with capabilities for intelligence, surveillance and reconnaissance. The company'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 Ltd***

In March 2024, the Company invested Â£2.0 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 over-exposure of data. The investment will help scale the business and accelerate growth initiatives.

### ***Resi Design Limited***

In October 2024, the Company invested Â£2.0 million in Resi Design, a technology-enabled architectural business that manages structural home improvement projects from concept through to planning, design, build and sign-off. The company has delivered c.8,000 projects with a market-leading 98% planning approval rate. The investment will enable Resi Design to continue its impressive growth trajectory, as well as focusing on strategic partnerships to achieve wider reach.

### **Follow-on investments**

Given the size of the portfolio, the number of follow-on investments relative to new deals remains high, a trend that is expected to continue. These follow-on investments are to support further growth initiatives for companies within the portfolio, or to support them through a period of challenging trading. We are pleased to report that despite continuing macroeconomic uncertainty and stubbornly high interest rates, the portfolio remains resilient overall.

We have made follow-on investments in six companies during 2024, totalling Â£6.0 million. Further details of each of these are provided here.

The additional equity injections in the year were used to support further growth plans, such as launching new products and providing cash headroom for further growth. In view of the economic outlook, which remains challenging, we continue to be vigilant about the health of the rest of the portfolio and the need for follow-on funding over the coming months.

### ***HomeLink Healthcare Limited***

In March 2024, the Company completed a Â£1.0 million follow-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.

### ***Sprintroom Limited***

In March 2024, the Company completed a Â£0.8 million follow-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.

### **Hexarad Group Limited**

In June 2024, the Company completed a £0.7 million follow-on investment into Hexarad Group. The Company initially invested £0.9 million into Hexarad in June 2021, and a further £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.

### **NorthWest EHealth Limited**

In August 2024, the Company completed a £0.7 million investment into NWEH. This was followed by a further £0.8 million in November 2024. NWEH is a provider of technology-enabled clinical trials services to the pharmaceutical and life sciences sectors, leveraging NHS electronic health records. The investments during the year will enable NWEH further cash runway to convert an important commercial opportunity.

### **Strategic Software Applications Ltd**

In August 2024, the Company completed a further investment of £1.0 million in Strategic Software Applications, trading as Ruleguard. Ruleguard is a SaaS regulatory compliance platform for financial services institutions. The investment will enable Ruleguard to continue to invest in its team and secure high-quality SaaS revenues from a growing customer base.

### **Red Flag Alert Technology Group Limited**

In September 2024, the Company invested £0.5 million into Red Flag Alert. This was followed by a further £0.5 million in December 2024. Red Flag Alert is a business intelligence platform which provides prospecting, credit risk and compliance products to its customers. The new funding will enable the business to develop new features and convert the customer pipeline to deliver SaaS revenue growth.

### **Realisations**

The M&A climate has proved more challenging than in recent years in light of the macroeconomic conditions of high interest rates and geopolitical uncertainty. Despite this, we were pleased to report some particularly strong realisations, as well as the disposal of some of the more challenged businesses within the portfolio. 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 remains for high-quality, high-growth businesses from both private equity and trade buyers.

### **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 team's plan. So-Sure Limited is a technology company acting as a Managing General Agent for insurers. The company's mission is to offer a more trusted proposition, greater pricing transparency and improved customer experience through its customer-centric digital platform. So-Sure was acquired by the Australian insurance firm, Open, in March 2024.

### **Crosstown Dough Ltd**

In June 2024, the Company realised its investment in Crosstown Dough, a doughnut vendor operating from 31 sites including a mix of bricks and mortar stores, food trucks and market stalls. Crosstown'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.

### **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 £11.2 million at completion. When added to £1.5 million of cash returned pre-exit, this implies a total cash-on-cash return of 10.3x, equivalent to an IRR of 33%, with a further £704,000 of deferred consideration recognised at the year end. Since investment, the business has grown to sell globally through both original equipment manufacturers (OEMs) and distributors. Throughout the investment, 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.

### **Callen-Lenz Associates Limited**

In May 2024, the Company achieved the successful exit of Callen-Lenz Associates, returning £23.4 million to the Company. A further £2.1 million was received in October 2024 and £0.5 million in December 2024. Including a further £1.4 million of earnout recognised in debtors at the year end, the sale implies a 5.4 times cash-on-cash return on the total investment made of £4.9 million, equivalent to an IRR of 124%. 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.

### **Realisations in the year ended 31 December 2024**

Company	Detail	Accounting cost at date of disposal (£)	Proceeds <sup>4</sup> (£)	Valuation at 31 December 2023 Realised gain/(loss) (£)
Callen-Lenz Associates Limited <sup>1</sup>	Full disposal	4,875,000	23,111,692	18,236,692
Specac International Limited <sup>2</sup>	Full disposal	2,054,761	11,161,216	9,106,455
Crosstown Dough Ltd	Full disposal	1,500,000	£"	(1,500,000)

So-Sure Limited <sup>3</sup>	Full disposal	1,600,000	â€”	(1,600,000)	â€”
Spektrix Limited repayment	Loan repayment	112,873	112,873	â€”	112,873
Positive Response Corporation Ltd	Loan repayment	225,000	225,000	â€”	225,000
<b>Total disposals</b>	<b>Â</b>	<b>10,367,634</b>	<b>34,610,781</b>	<b>24,243,147</b>	<b>29,218,369</b>

1. Excludes Â£2.6 million of deferred consideration which was received in October and December 2024. A further Â£1.4 million of deferred consideration has been recognised within debtors at 31 December 2024.
2. Excludes Â£704,000 of deferred consideration which has been recognised within debtors at 31 December 2024.
3. Excludes Â£11,000 of deferred consideration received in August 2024.
4. Proceeds on exit excluding interest, dividends and exit fees where applicable.

### **Pipeline**

At 31 December 2024, the Company had cash reserves of Â£51 million, which will be used to fund new and follow-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 stages, with further deal completions expected to be announced in the months to follow.

Stubbornly high interest rates have created challenging trading conditions for many companies. While interest rates are slowly declining, bank debt remains significantly more expensive than it has been for much of the last 15 years. Nonetheless, we note that the cautious approach to leveraging portfolio companies provides some protection here. Continuing geopolitical concern surrounding conflicts in Ukraine and the Middle East, as well as the spectre of a global trade war driven by the new US administration, have also caused supply chain disruption. These challenges create opportunities to source attractive investments however, with many companies seeking to strengthen their balance sheets.

We continue to see an attractive pipeline of opportunities and do not see this changing in the medium term. The Company is able to access these opportunities through its wide and proprietary network across the country, supported to a greater extent by its network of regional offices. We consider the Company's strategy to be well suited to market volatility, due to its balanced mix of companies across sectors and stages, experienced investment team and network of high-quality non-executives.

### **Loopr Ltd**

In February 2025, the Company made a Â£1.5 million follow-on investment into Loopr Ltd (trading as 'Loop Insights'), a company providing data analytics to content distributors and video-on-demand streaming services. The investment will support the company's next phase of product development and continue the rollout to new and existing customers internationally, including regulators, multinationals and local media outlets.

### **Fourth Wall Creative Limited**

Post year end, the Company invested a further Â£0.7 million into Fourth Wall Creative Limited to support the continued growth of the business. For further details on Fourth Wall Creative Limited, please see page 24 in the Annual Report.

### **Evolve Dynamics Limited**

In March 2025, the Company completed a Â£0.6 million follow-on investment into Evolve Dynamics Limited ('Evolve'). The investment will support the company's working capital, research and development initiatives as the business continues to target both private and public sector contracts. Evolve develops and manufactures Unmanned Aircraft Systems ('UAS') and since investment, it has developed and begun to commercialise two new systems.

### **Ten Health & Fitness Limited**

In March 2025, the Company completed a Â£0.6 million follow-on investment into Ten Health, alongside a Â£0.2 million co-investment from senior management. This funding will primarily be used to launch a new franchise model to generate scale at pace and enable Ten Health to open a presence in locations across the UK, specifically beyond London, and internationally.

### **Ad Signal Limited**

In March 2025, the Company completed a Â£1.5 million investment into Ad Signal Limited, a provider of content management platforms for the media and entertainment industry. The company's founder has strong technical skills and significant experience in developing content management solutions. He is supported by a strong executive team, with an experienced Non-Executive Chair due to join imminently. The investment will enable the company to develop further tools to support its customers and add further blue chip clients.

### **NorthWest EHealth Limited**

In April 2025, the Company completed a Â£0.3 million investment into NWEH. For further details on NWEH, please see page 29 in the Annual Report.

### **Rovco Limited**

In March 2025, Rovco's anticipated Series C funding round fell through, leaving the company in a challenging situation and in need of further capital.

### **Hospital Services Group Limited**

In February 2025, the Company completed the sale of Hospital Services Group Limited ('HSL'), a provider of high-quality healthcare equipment and consumables. The transaction generated proceeds of Â£9.3 million at completion with potential for a further up to Â£0.4 million over the coming years, implying a return and IRR of up to 8.4 times the original investment and 25.7% respectively. HSL provides equipment to a growing number of customers on both sides of the Irish Sea, with over 500 medical facilities supported in 2024. Since investment, HSL has seen

strong organic growth and has made eight strategic bolt-on acquisitions, most notably in Ireland. The exit is reflective of Foresight's™ commitment to supporting sustainable growth, as well as its continued success in the Healthcare sector.

### ***Biotherapy Services Limited***

In March 2025, the Company exited its holding in Biotherapy Services Limited (‘BTS’) for a nominal value to management. Despite promising early clinical results, BTS struggled to complete its Phase IIB trial of its RAPID gel product within its funding runway. The trial was significantly hampered by COVID-19, with diabetic trial participants needing to shield. BTS has recently published its data and analysis. If the business is sold in the medium term, the Company will receive deferred consideration. BTS was fully written off in December 2022.

### **Key portfolio developments**

Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2023, are detailed below. Updates on these companies are included below, in the Post-year end activity section on pages 20 and 21 in the Annual Report, or in the Top Ten Investments section on pages 26 to 30 in the Annual Report.

### **Key valuation changes in the year**

Company	Valuation methodology	Net movement (£)
Hexarad Group Limited	Price of last funding round	2,541,529
TLS Holdco Limited	Net assets	2,353,300
Hospital Services Group Limited	Sales proceeds	1,805,815
Red Flag Alert Technology Group Limited	Price of last funding round	1,219,449
Aerospace Tooling Corporation Limited	Discounted revenue multiple	(1,879,091)
NorthWest EHealth Limited	Discounted revenue multiple	(1,990,441)

### ***Aerospace Tooling Corporation Limited***

Aerospace Tooling Corporation Limited (‘ATL’) provides specialist inspection, maintenance, repair and overhaul (‘MRO’) services for components in high-specification aerospace and industrial turbine engines. A core focus for ATL is in ‘legacy’ components and engines that are still in widespread use but have ceased production and do not have easily available spare parts. The company also provides services on a wide range of ‘in production’ turbines, providing a cost-effective alternative to expensive replacement parts.

#### ***31 December 2024 update***

During 2024 ATL incurred a significant increase in both direct overheads and utilities which, due to the timing of existing price frameworks, were not absorbed by existing customers. A cost reduction exercise is underway which will provide a pathway back to profitable growth. We remain supportive of the business as it grows its existing customer base whilst continuing to build new customer relationships through the expansion of its services.

### **Outlook**

2024 was a year of lower volatility and measured recovery following the turmoil of previous years. Inflation returned to more normalised levels, with the consumer price index (‘CPI’) rising by 2.5% in the year. This led to cuts in the base rate to 4.75% in 2024 and further to 4.5% post year end. Overall, UK GDP growth was 1% in 2024, which was sluggish by global standards.

While the UK performance was broadly in line with Europe, it lags the OECD average of 3.2%. Other advanced economies enjoyed stronger performance, notably the US. Indexes such as the S&P 500 performed strongly, delivering 25% growth in 2024. 2024 saw half of the world’s™ population eligible to vote in general elections, resulting in changes in government for many countries, and a rise in populism in Europe, the US and other territories. This, coupled with the continuing conflicts in Ukraine and the Middle East, gave rise to market volatility throughout the year.

There is room for some optimism however, as the UK continues to be a global leader in key sectors such as Technology, Life Sciences and Financial Services. Further, the new Government has put ‘growth’ firmly on the agenda, suggesting further investment in sectors such as technology and renewables, although public finances are notably tight. There is a strong and established network of support for growing young companies, and world-class universities continue to nurture exciting spin-outs. Multinationals continue to see the UK as an attractive place to invest and grow their businesses, and the anticipated increase in the capital gains tax rate did not materialise.

The strength of the US technology and finance sectors in recent years has made UK valuations seem relatively low by comparison, offering attractive opportunities for sale to international buyers. M&A also remains firmly on the agenda for corporates seeking to grow their businesses and the mid-market private equity market remains highly liquid and active. We therefore anticipate further profitable exits in the years to come.

The Company has performed well in the year, achieving a 6.6% increase in NAV Total Return for Shareholders. The exit of Crosstown at a lower valuation demonstrates the weaker consumer confidence that has characterised recent years. However, the exits of Callen-Lenz and Specac, to a mix of trade and PE acquirors, demonstrate that attractive valuations can be achieved for businesses that are performing well. These exits contributed to the Company’s™ total dividends of 15.4p per share for the year, delivering an attractive dividend yield of 30.5% and exceeding the Company’s™ target. The Company retains a portfolio that is well balanced across sectors and stages, with some companies delivering strong profitability whilst other earlier-stage investments continue to display strong growth. Our cautious approach to taking on leverage has protected many portfolio companies from the impact of concerns surrounding rising interest rates, which are expected to remain relatively high.

It was anticipated that 2025 would see the UK economy grow more rapidly however the macroeconomic outlook has since worsened. Interest

rates are expected to reduce further in 2025; however, in the medium term, the base rate is considered unlikely to return to the low levels of the last 15 years. This means that the cost of debt for businesses and consumers is likely to remain relatively high by recent standards. We continue to monitor an emerging international trade war and ensuing potential supply chain disruptions.

We are pleased with the performance in the year, with the Company navigating the economic and geopolitical uncertainty well. The Company's strong performance has improved its position in the VCT market, which is an increasingly attractive and visible source of capital for the UK's ambitious entrepreneurs. The portfolio remains diversified and resilient to macroeconomic headwinds, supported by a collaborative, hands-on approach from Foresight.

#### James Livingston

on behalf of Foresight Group LLP

Co-Head of Private Equity

23 April 2025

### STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

		Year ended 31 December 2024			Year ended 31 December 2023		
		Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Realised gains on investments		£"	28,500	28,500	£"	5,366	5,366
Investment holding (losses)/gains		£"	(14,006)	(14,006)	£"	6,405	6,405
Income		3,249	£"	3,249	2,683	£"	2,683
Investment management fees		(888)	(4,629)	(5,517)	(759)	(3,845)	(4,604)
Other expenses		(817)	£"	(817)	(790)	£"	(790)
<b>Return on ordinary activities before taxation</b>		<b>1,544</b>	<b>9,865</b>	<b>11,409</b>	<b>1,134</b>	<b>7,926</b>	<b>9,060</b>
Taxation		(345)	345	£"	(225)	225	£"
<b>Return on ordinary activities after taxation</b>		<b>1,199</b>	<b>10,210</b>	<b>11,409</b>	<b>909</b>	<b>8,151</b>	<b>9,060</b>
<b>Return per share</b>		<b>0.4p</b>	<b>3.8p</b>	<b>4.2p</b>	<b>0.4p</b>	<b>3.5p</b>	<b>3.9p</b>

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 Statement of Comprehensive Income 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 comprehensive income has been presented.

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

The notes on pages 87 to 103 in the Annual Report form part of these financial statements.

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

		Called-up	Share	Capital	Distributable	Capital	Revaluation	
		share capital	premium account	redemption reserve	reserve <sup>1</sup>	reserve <sup>1</sup>	reserve	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Year ended 31 December 2024								
As at 1 January 2024		2,567	102,801	679	44,046	(31,047)	49,430	168,476
Share issues in the year <sup>2</sup>		586	33,791	£"	£"	£"	£"	34,377
Expenses in relation to share issues <sup>3</sup>		£"	(1,132)	£"	£"	£"	£"	(1,132)
Repurchase of shares		(165)	£"	165	(9,399)	£"	£"	(9,399)
Realised gains on disposal of investments		£"	£"	£"	£"	28,500	£"	28,500



Investment holding losses	Â	â€”	â€”	â€”	â€”	â€”	(14,006)	(14,006)
Dividends paid	Â	â€”	â€”	â€”	(40,887)	â€”	â€”	(40,887)
Cancellation of share premium	Â	â€”	(102,801)	(680)	103,481	â€”	â€”	â€”
Management fees charged to capital	Â	â€”	â€”	â€”	â€”	(4,629)	â€”	(4,629)
Revenue return for the year before taxation	Â	â€”	â€”	â€”	1,544	â€”	â€”	1,544
Taxation for the year	Â	â€”	â€”	â€”	(345)	345	â€”	â€”
<b>As at 31 December 2024</b>	Â	<b>2,988</b>	<b>32,659</b>	<b>164</b>	<b>98,440</b>	<b>(6,831)</b>	<b>35,424</b>	<b>162,844</b>

5. Distributable reserve accounts at 31 December 2024 total Â£91,609,000 (2023: Â£12,999,000). Share premium cancelled during the year included amounts arising on share allotments less than three years old, which comprise protected capital under VCT regulations.

Amounts available for distribution at 31 December 2024 are therefore Â£41,673,000 (2023: Â£12,999,000). The remaining cancelled share premium will become distributable on the third anniversary of the share allotment on which it arose.

6. Includes the dividend reinvestment scheme.

7. Expenses in relation to share issues includes trail commission for prior yearsâ€™ fundraising.

The notes on pages 87 to 103 in the Annual Report form part of these financial statements.

Â	Â	Â	Share premium account	Capital redemption reserve	Â	Â	Â	Â
Â	Â	Called-up share capital			Distributable reserve <sup>1</sup>	Capital reserve <sup>1</sup>	Revaluation reserve	Â
Â	Â							Total
Year ended 31 December 2023	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 2023	Â	2,133	68,203	573	57,309	(32,793)	43,025	138,450
Share issues in the year <sup>2</sup>	Â	540	36,127	â€”	â€”	â€”	â€”	36,667
Expenses in relation to share issues <sup>3</sup>	Â	â€”	(1,529)	â€”	â€”	â€”	â€”	(1,529)
Repurchase of shares	Â	(106)	â€”	106	(6,480)	â€”	â€”	(6,480)
Realised gains on disposal of investments	Â	â€”	â€”	â€”	â€”	5,366	â€”	5,366
Investment holding gains	Â	â€”	â€”	â€”	â€”	â€”	6,405	6,405
Dividends paid	Â	â€”	â€”	â€”	(7,692)	â€”	â€”	(7,692)
Management fees charged to capital	Â	â€”	â€”	â€”	â€”	(3,845)	â€”	(3,845)
Revenue return for the year before taxation	Â	â€”	â€”	â€”	1,134	â€”	â€”	1,134
Taxation for the year	Â	â€”	â€”	â€”	(225)	225	â€”	â€”
<b>As at 31 December 2023</b>	Â	<b>2,567</b>	<b>102,801</b>	<b>679</b>	<b>44,046</b>	<b>(31,047)</b>	<b>49,430</b>	<b>168,476</b>

8. Reserve is available for distribution; total distributable reserves at 31 December 2023 total Â£12,999,000 (2022: Â£24,516,000).

9. Includes the dividend reinvestment scheme.

10. Expenses in relation to share issues includes trail commission for prior yearsâ€™ fundraising.

The notes on pages 87 to 103 in the Annual Report form part of these financial statements.

## BALANCE SHEET

At 31 December 2024

Â	Â	As at 31 December 2024	As at 31 December 2023
Â	Â		
Â	Â		

Â	Â	Â
<b>Fixed assets</b>	<b>Â</b>	<b>Â</b>
Investments held at fair value through profitÂ or loss	Â	119,587
<b>Current assets</b>	<b>Â</b>	<b>Â</b>
Debtors	Â	2,726
Cash and cash equivalents	Â	47,843
Â	Â	50,569
<b>Creditors</b>	<b>Â</b>	<b>Â</b>
Amounts falling due within one year	Â	(1,680)
<b>Net current assets</b>	<b>Â</b>	<b>48,889</b>
<b>Net assets</b>	<b>Â</b>	<b>168,476</b>
<b>Capital and reserves</b>	<b>Â</b>	<b>Â</b>
Called-up share capital	Â	2,567
Share premium account	Â	102,801
Capital redemption reserve	Â	679
Distributable reserve	Â	44,046
Capital reserve	Â	(31,047)
Revaluation reserve	Â	49,430
<b>Equity Shareholders' funds</b>	<b>Â</b>	<b>168,476</b>
<b>Net Asset Value per share</b>	<b>Â</b>	<b>65.6p</b>

The financial statements were approved by the Board of Directors and authorised for issue on 23 April 2025 and were signed on its behalf by:

**Michael Gray**  
Chair

Registered number: 03506579

The notes on pages 87 to 103 in the Annual Report form part of these financial statements.

## CASH FLOW STATEMENT

### For the year ended 31 December 2024

Â	Â	Year ended
Â	Â	ended
Â	Â	31
Â	Â	December
Â	Â	2024
Â	Â	2023
Â	Â	Â
<b>Cash flow from operating activities</b>	<b>Â</b>	<b>Â</b>
Loan interest received from investments	Â	1,238
Dividends received from investments	Â	175
Other income received from investments	Â	71
Deposit and similar interest received	Â	1,190
Investment management fees paid	Â	(3,029)
Performance incentive fee paid	Â	(734)
Secretarial fees paid	Â	(197)
Other cash payments	Â	(549)
<b>Net cash outflow from operating activities</b>	<b>Â</b>	<b>(1,835)</b>
<b>Cash flow from investing activities</b>	<b>Â</b>	<b>Â</b>
Purchase of investments	Â	(17,652)
Proceeds on sale of investments	Â	20,572
Proceeds on deferred consideration	Â	669
<b>Net cash inflow from investing activities</b>	<b>Â</b>	<b>3,589</b>
<b>Cash flow from financing activities</b>	<b>Â</b>	<b>Â</b>
Proceeds of fundraising	Â	34,910
Expenses of fundraising	Â	(474)
Repurchase of own shares	Â	(6,504)
Equity dividends paid	Â	(6,657)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>Â</b>	<b>21,275</b>
<b>Net inflow of cash for the year</b>	<b>Â</b>	<b>23,029</b>

<b>Reconciliation of net cash flow to movement in net funds</b>	Â	Â	Â
Increase in cash and cash equivalents for the year	Â	<b>3,016</b>	23,029
<b>Net cash and cash equivalents at start of year</b>	Â	<b>47,843</b>	24,814
<b>Net cash and cash equivalents at end of year</b>	Â	<b>50,859</b>	47,843

The notes on pages 87 to 103 in the Annual Report form part of these financial statements.

## Notes

**1** These are not statutory accounts in accordance with S436 of the Companies Act 2006. The full audited accounts for the year ended 31 December 2024, which were unqualified and did not contain statements under S498(2) of the Companies Act 2006 or S498(3) of the Companies Act 2006, will be lodged with the Registrar of Companies. Statutory accounts for the year ended 31 December 2024 including an unqualified audit report and containing no statements under the Companies Act 2006 will be delivered to the Registrar of Companies in due course.

**2** The audited Annual Financial Report has been prepared on the basis of accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2024. All investments held by the Company are classified as 'fair value through the profit and loss'™. Unquoted investments have been valued in accordance with IPEV guidelines. Quoted investments are stated at bid prices in accordance with the IPEV guidelines and Generally Accepted Accounting Practice.

**3** Copies of the Annual Report will be sent to shareholders and can be accessed on the following website: [www.foresightenterprise.vct.com](http://www.foresightenterprise.vct.com)

## 4 Net Asset Value per share

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

	31 December 2024	31 December 2023
Net assets	£162,844,000	£168,476,000
No. of shares at year end	298,828,254	256,728,468
Net Asset Value per share	54.5p	65.6p

## 5 Return per share

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Total return after taxation	11,409	9,060
Total return per share (note a)	4.2p	3.9p
Revenue return from ordinary activities after taxation	1,199	909
Revenue return per share (note b)	0.4p	0.4p
Capital return from ordinary activities after taxation	10,210	8,151
Capital return per share (note c)	3.8p	3.5p
Weighted average number of shares in issue in the year (note d)	271,803,550	230,692,970

Notes:

- a) Total return per share is total return after taxation divided by the weighted average number of shares in issue during the year.
- b) Revenue return per share is revenue return after taxation divided by the weighted average number of shares in issue during the year.
- c) Capital return per share is capital return after taxation divided by the weighted average number of shares in issue during the year.
- d) The weighted average number of shares is calculated by taking the number of shares issued and bought back during the year, multiplying each by the percentage of the year for which that share number applies and then totalling with the number of shares in issue at the beginning of the year.

## 6 Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, SE1 9SG on 10 June 2025 at 1.00pm. Details will be published on both the Company's™ and the Manager's™ website at [www.foresightenterprise.vct.com](http://www.foresightenterprise.vct.com)

## 7 Income

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000

Deposit and similar interest received	2,174	1,190
Loan stock interest	910	1,247
Dividends receivable	165	175
Other income	â€”	71
<b>Â</b>	<b>3,249</b>	<b>2,683</b>

## 8 Investments held at fair value through profit or loss

	31 December 2024 Â£â€™000	31 December 2023 Â£â€™000
<b>Â</b>	<b>Â</b>	<b>Â</b>
Unquoted investments	109,110	119,587
<b>Â</b>	<b>Â</b>	<b>Â</b>
<b>Â</b>	<b>Â</b>	<b>Â</b>
<b>Book cost at 1 January 2024</b>	<b>Â</b>	<b>72,698</b>
Investment holding gains	Â	46,889
<b>Valuation at 1 January 2024</b>	<b>Â</b>	<b>119,587</b>
Movements in the year:	Â	Â
Purchases at cost	Â	14,444
Disposal proceeds <sup>1</sup>	Â	(34,611)
Realised gains <sup>2</sup>	Â	24,243
Investment holding losses <sup>3</sup>	Â	(14,553)
<b>Valuation at 31 December 2024</b>	<b>Â</b>	<b>109,110</b>
<b>Book cost at 31 December 2024</b>	<b>Â</b>	<b>76,774</b>
Investment holding gains	Â	32,336
<b>Valuation at 31 December 2024</b>	<b>Â</b>	<b>109,110</b>

- The Company received Â£34,611,000 from the disposal of investments during the year. The book cost of these investments when they were purchased was Â£10,368,000. 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.
- Realised gains in the Statement of Comprehensive Income include deferred consideration receipts from Callen-Lenz Associates Limited (Â£2,568,000), Datapath Group Limited (Â£1,167,000), Codeplay Software Limited (Â£478,000), Ixaris Systems Limited (Â£23,000), So-Sure Limited (Â£11,000) and Mologic Ltd (Â£10,000).
- Investment holding losses in the Statement of Comprehensive Income include the deferred consideration debtor increase of Â£547,000. The debtor movement reflects the recognition of amounts receivable from Callen-Lenz Associates Limited (Â£1,417,000), Specac International Limited (Â£704,000) and Hospital Services Group Limited (Â£183,000) offset by receipts from Datapath Group Limited (Â£1,167,000), Codeplay Software Limited (Â£463,000), Ixaris Systems Limited (Â£23,000) and Mologic Ltd (Â£10,000) and provisions made against the balances due from Mologic Ltd (Â£52,000), FFX Group Limited (Â£36,000) and Ixaris Systems Limited (Â£6,000).

## 9 Related party transactions

No Director has an interest in any material contract to which the Company is a party other than their appointment and remuneration as Directors. Please refer to page 71 of the Annual Report for the Directorsâ€™ remuneration tables.

## 10 Transactions with the Manager

Foresight Group LLP earned fees of Â£3,553,000 in the year ended 31 December 2024 (2023: Â£3,035,000). Additionally, a performance fee of Â£3,079,000 was paid in the year (2023: Â£734,000), and a liability of Â£nil has been recognised as at 31 December 2024 (2023: Â£1,115,000).

Foresight Group LLP is the Company Secretary and received accounting and company secretarial services fees of Â£207,000 during the year (2023: Â£197,000). Foresight Promoter LLP, a related party to the Manager, earned fees of Â£554,000 (2023: Â£770,000) in respect of costs incurred related to share allotments in the year.

As at 31 December 2024, the amount due to Foresight Group LLP was Â£34,000 (2023: Â£8,000).

No amounts have been written off in the year in respect of debts due to or from the Manager.

A copy of the Annual Report and Accounts 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:  
Company Secretary

Foresight Group LLP  
Contact: Gary Fraser Tel: 0203 667 8100

Investor Relations  
Foresight Group LLP  
Contact: Andrew James Tel: 0203 667 8181