

# Foresight Enterprise VCT plc

Unaudited Half-Yearly Financial Report

30 June 2023

**Foresight**  
FOR A SMARTER FUTURE



# Our Purpose

Foresight Enterprise VCT plc is a Venture Capital Trust aiming to provide investors with attractive returns from a portfolio of investments in fast-growing, unquoted UK companies.

## Key objectives



Payment of annual ordinary dividends of at least 5% of the opening NAV per share



Development of Net Asset Value Total Return above a 5% target

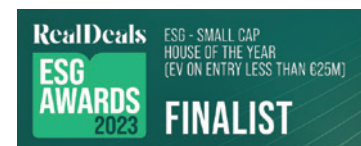


Maintaining a programme of regular share buybacks at a discount of 5% to NAV over the medium term



Implementing a significant number of new and follow-on investments, exceeding deployment requirements to maintain VCT status

## Awards



## Key dates

Annual results to 31 December 2023	April 2024
Annual General Meeting	June 2024
Interim results to 30 June 2024	September 2024

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# Financial Highlights

“Datapath and Innovation Consulting Group were both sold in the period, returning proceeds of £16.4 million to the Company.”

£148.2m

Total net assets  
as at 30 June 2023

3.3p

Dividend paid  
30 June 2023

£3.2m

Uplift in portfolio value  
in period to 30 June 2023

63.4p

NAV per share  
as at 30 June 2023

- Total net assets **£148.2 million**
- An interim dividend of **3.3p** per share was paid on 30 June 2023, returning **£7.7 million** to Shareholders
- The portfolio value has increased by **£3.2 million** in the last six months
- Net Asset Value per share decreased by **2.3%** in the period from **64.9p** at 31 December 2022 to **63.4p** at 30 June 2023
- Including the payment of a **3.3p** dividend made on 30 June 2023, NAV Total Return per share at 30 June 2023 was **66.7p** (being NAV at the end of the period plus dividends paid in the period), representing a positive NAV Total Return of **2.8%** in the period

# Financial Highlights continued

## Key metrics

	6 months 30 June 2023	12 months 31 December 2022
Total net assets	£148.2m	£138.5m
Net Asset Value per share	63.4p	64.9p
Movement in Net Asset Value Total Return during the period <sup>1</sup>	2.8%	4.5%
Share price	58.5p	58.5p
Dividend per share paid in the period	3.3p	7.3p
Dividend yield <sup>1</sup>	5.6%	12.5%
Ordinary Shares in issue	233,691,676	213,316,422

	6 months 30 June 2023	12 months 31 December 2022
Discount to NAV <sup>1</sup>	7.7%	9.9%
Average discount on buybacks <sup>1</sup>	7.5%	7.5%
Shares issued through fundraising	22,042,169	20,149,160
Shares issued under the dividend reinvestment scheme	1,637,805	2,748,080
Shares bought back during the period under review	3,304,720	2,387,781
Ongoing charges ratio <sup>1</sup> (based on net assets)	2.35%	2.30%

1. Definitions of these Alternative Performance Measures ("APMs") can be found in the Glossary on page 37.

## Place of business of portfolio companies



### Key

- Technology, Media & Telecommunications
- Industrials & Manufacturing
- Healthcare
- Business Services
- Consumer & Leisure
- Financial Planning
- Other

# Chair's Statement



“NAV Total Return per share for the period was 66.7p, representing a total return of 2.8%.”

Raymond Abbott

Chair  
Foresight Enterprise VCT plc

I am pleased to present the unaudited Half-Yearly Report for Foresight Enterprise VCT plc for the period ended 30 June 2023 and to report a Net Asset Value Total Return of 2.8% for the period, including a dividend yield of 5.6%.

The business environment remains challenging despite the substantial impact of the COVID-19 pandemic receding. The war in Ukraine continues and supply chains remain strained while energy prices and persistent inflation have led to a series of interest rate increases. The threat of recession is the new economic reality, with consumer demand severely depleted. In addition, the financial markets were rocked by the collapse of both Silicon Valley Bank and Credit Suisse in March 2023 but fortunately the turmoil was short-lived and further contagion limited. However, heightened nervousness in the financial markets and recent changes to banks' capital adequacy rules are beginning to reduce the level of funding available for smaller businesses. Understandably, consumer and business confidence in the UK remains fragile.

However, the Board believes that the careful planning, help and advice the Manager provides to all the portfolio companies will continue to be relevant to the current and future economic situations. While there will be bumps in the road, we believe that the portfolio is in good shape to withstand what we currently see ahead. The Company's portfolio in aggregate has remained resilient amid economic and political turmoil that has plagued 2023.

Many of the portfolio companies have successfully adapted to the new economic landscape, with some performing extremely well and demonstrating the strength of their management teams. A minority of the portfolio companies struggled as a result of a fall in consumer demand and inflationary pressures. However, these businesses are now beginning to show signs of recovery.

In the six months ended 30 June 2023, 21 companies in the portfolio recorded a combined increase in valuation of £9.3 million, offset by 14 companies recording an aggregate fall in valuation of £6.1 million.

## Portfolio overview

44

Investments as at  
30 June 2023

£3.2m

Uplift in valuation of investment in  
the period ended 30 June 2023

£16.4m

Investment sales proceeds in  
the period ended 30 June 2023

# Chair's Statement continued

## 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% target while continuing to grow the Company's assets
- Payment of annual dividends of at least 5% of the NAV per share per annum based on the opening NAV per share of that financial year
- 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 (the Board continues to have an objective of achieving and maintaining buybacks at a discount of 5% over the medium term, 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.

Whilst this task has not been made easier by the changes to VCT legislation since 2015, which (amongst other requirements) place greater emphasis on growth or development capital investment into younger companies, the Company is fortunate in that it has pursued a policy of seeking growth capital investments for several years prior to the rule changes and the Manager has an established track record in this area.

## Performance and portfolio activity

During the period Net Asset Value per share decreased by 2.3% from 64.9p as at 31 December 2022 to 63.4p as at 30 June 2023. After adding back the payment of a 3.3p dividend paid on 30 June 2023, NAV Total Return per share at 30 June 2023 was 66.7p, representing a positive NAV Total Return of 2.8% in the period. This positive movement is a result of the strategy and business changes throughout the portfolio alluded to above.

On 14 October 2022, the Company launched an offer for subscription to raise up to £20 million, with an over-allotment facility to raise up to a further £10 million, through the issue of new shares. The offer was closed on 26 April 2023 having raised gross proceeds of £22.6 million, £21.7 million after expenses. We would like to thank those existing Shareholders who have supported the offer and welcome all new Shareholders to the Company.

During the period the Manager completed five new investments and four follow-on investments costing £6.0 million and £2.6 million respectively. The Manager also fully disposed of two investments, generating proceeds of £16.4 million with a further £2.3 million of deferred consideration included within debtors at the period end, representing a combined cash-on-cash return multiple of 8.4 times the original investment.

After the period end, in September 2023, £1.8 million was invested in Loopr Ltd, trading as Looper Insights, a data analytics platform to film and TV content distributors and video-on-demand streaming services. Furthermore, the Company sold its holding in Protean Software Limited, which generated proceeds of £3.5 million at completion. Including cash returned to the date of this report, the exit delivered a return multiple of 2.4 times the original investment. Further details of these investments and realisations can be found in the Manager's Report.



## Chair's Statement continued

### Performance and portfolio activity continued

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.

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; however, it is also focused on supporting the existing portfolio through the current economic climate.

### 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, the portfolio companies are assessed and progress measured against these principles. More detailed information about the process can be found on pages 26 and 27 of the Manager's Review.

### Dividends

An interim dividend of 3.3p per share was declared on 8 June 2023 based on an ex-dividend date of 15 June 2023 and a record date of 16 June 2023. The dividend was paid on 30 June 2023, returning £7.7 million to Shareholders. The Board and the Manager continue to hope that additional "special" dividends can be paid as and when particularly successful portfolio exits are made.

### Buybacks

The Board is pleased to have achieved an average discount across all buybacks of 7.5% to the Net Asset Value per share in the period, but continues to have an objective of achieving and maintaining buybacks at a discount of 5.0% over the medium term, subject to market conditions.

### Shareholder communication

We were delighted to meet with some Shareholders in person at the AGM on 8 June 2023. We hope many of you will be available to attend our next in-person investor forum event on 19 October 2023 at The Shard. 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.

### 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.

The Board was delighted to appoint Kavita Patel as a Non-Executive Director in September 2023 and, after nine years of service, Simon Jamieson did not stand for re-election at the AGM on 8 June 2023. I would once again like to thank Simon for his dedication to the Company and the Board over his tenure.

The Board is also engaged in a recruitment process to appoint an additional independent Non-Executive Director to its Board as further succession planning. An additional appointment is expected to be made towards the end of the year.





# Chair's Statement continued

## Sunset clause

As explained in last year's Annual Report, a "sunset clause" applies to the current approved scheme for EIS and VCT tax reliefs. 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.

The UK Chancellor has reconfirmed in his Spring Budget the government's commitment to extend the income tax relief available on new VCT shares beyond the tax year ending in April 2025. The Treasury Select Committee's report on early stage investment published in July supported the important role played by VCTs and called for early action on the "sunset clause". It also noted that the UK should be able to extend the scheme without European Commission approval, as clarified by the new Northern Ireland Protocol, the Windsor Framework.

Trade bodies of which the Manager is a member will continue to lobby the government to provide greater clarity on the timing and nature of its plans for removing this obstacle.

## Outlook

As mentioned in my introduction, while the impact of the pandemic has lessened, other economic impacts continue to dampen consumer and business confidence. Ongoing inflationary pressures, tight monetary policies, supply chain issues and a lack of bank lending appetite may continue to hinder economic recovery. The Board is conscious that such conditions could prove particularly 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.

On the other hand, these younger companies may prove more agile and creative in their approach and better able to adapt their operations swiftly and identify new products and services in response to changing circumstances.

The portfolio is showing signs of resilience and the Manager has been working with management teams to assess business plans, consider funding requirements and help navigate through these difficult times. 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 the face of economic and geopolitical difficulties. We are confident that this approach will continue to provide protection in volatile market conditions.

The 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 announced our intention to raise further funds in 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.

**Raymond Abbott**

Chair

28 September 2023



# Manager's Review

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# Manager's Review

The Board has appointed Foresight Group LLP ("the Manager") to provide investment management and administration services.



## Portfolio summary

As at 30 June 2023, the Company's portfolio comprised 44 investments with a total cost of £65.5 million and a valuation of £107.3 million. The Company also held £39.0 million of cash and £1.9 million of net current assets taking total net assets to £148.2 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 19 to 22.

During the six months to 30 June 2023, the value of the portfolio increased by £3.2 million and £8.6 million of new and follow-on investment was concluded. There was a strong series of successful exits, realising £16.4 million, as well as £7.7 million returned to Shareholders through the interim dividend.

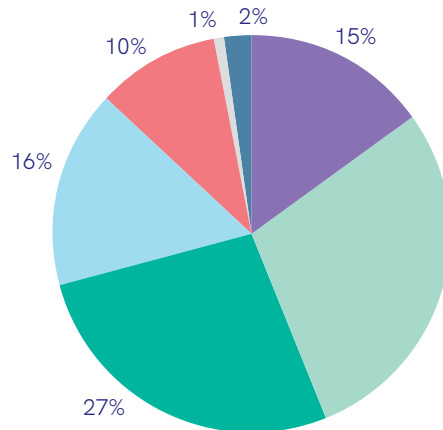
Overall therefore, the value of the unquoted portfolio decreased by £4.6 million in the period.

The Company's portfolio continues to navigate the various economic challenges, including inflation, tight labour markets and soft financial and M&A markets. Many of the portfolio companies are performing extremely well, while others continue to adjust.

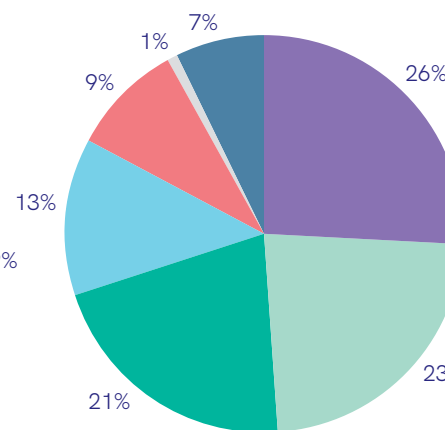
In line with the Board's strategic objectives, the investment team remains focused on continuing to grow the Company's assets whilst paying an annual dividend to Shareholders of at least 5% of the opening NAV per share of the relevant financial year. The Company has so far achieved this target for the current year and this objective remains the Manager's focus.

## Portfolio diversification

Sector by cost



Sector by valuation



### Key

- Industrials & Manufacturing (cost 15% | valuation 26%)
- Healthcare (cost 29% | valuation 23%)
- Technology, Media & Telecommunications (cost 27% | valuation 21%)
- Consumer & Leisure (cost 16% | valuation 13%)
- Business Services (cost 10% | valuation 9%)
- Financial Planning (cost 1% | valuation 1%)
- Other (cost 2% | valuation 7%)

# Manager's Review continued

## New investments

Fostering strong relationships with local deal introducers across the UK and Ireland remains central to the private equity team's approach. The team remains focused on attending in-person meetings and events with both deal introducers and prospective investee companies to generate a flow of pipeline opportunities. The regional presence is central to this approach and the Manager opened three offices over the last year, in Leeds, Dublin and Newcastle. These new regional offices are expected to support stronger relationships with local advisers and increase deal flow from these geographies.

Five new investments were completed in the six months to 30 June 2023, totalling £6.0 million. Post-period end, in September 2023, the Manager invested a further £1.8 million in Loopr Ltd. Further details of each of these are provided to the right hand side of this page. Behind these, there is a strong pipeline of opportunities that the Manager expects to convert during the second half of 2023.



### Sprintroom Limited

In January 2023, £1.0 million of growth capital was invested in 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 further develop and commercialise novel alternating current variable speed drive technology.



### Firefish Software Ltd.

In March 2023, the Company invested £1.5 million in Firefish Software, a Glasgow-based customer relationship management and marketing software platform targeting the recruitment sector. The funding will be used to further develop the platform in order to attract a larger enterprise-level customer base and expand its outbound sales team.



### Red Flag Alert Technology Group Limited

In March 2023, the Company invested £1.8 million in Reg Flag Alert Technology Group, a Manchester-based proprietary SaaS intelligence platform with modular capabilities spanning compliance, prospecting, risk management and financial health assessments. The growth capital will be used to support continued product development alongside an increased marketing budget which is expected to accelerate new client acquisition with particular focus on larger enterprise-level customers.



### Five Wealth Limited

In March 2023, the Company invested £0.7 million in Five Wealth, an established boutique financial planning business operating across the North West of England, headquartered in Manchester. Five Wealth's service offering is focused on the provision of independent private client financial advice and wealth planning. This growth capital investment will be used to support increased marketing and advertising to drive top-line growth and greater regulatory and compliance costs which are forecast to increase commensurately with AUM.



### The KSL Clinic Limited

In April 2023, the Company invested £1.0 million in The KSL Clinic, a leading provider of hair replacement treatments, with clinics in Manchester and Kent. The investment will be used to invest in facilities, create high-quality, sustainable jobs and to expand its geographic reach, resulting in significant improvements in the wellbeing of patients.



### Loopr Ltd

Post-period end, in September 2023, the Company invested £1.8 million in Loopr Ltd, trading as Looper Insights, a data analytics platform to film and TV content distributors and video-on-demand streaming services. The investment will be used build a sales and marketing team, expand the customer success team and continue the development of the company's software.

# Manager's Review continued

## Follow-on investments

The Manager expects to continue to deploy additional capital into both growing portfolio companies and those that require support to trade through more uncertain periods. Macro factors such as wage, commodity price and energy price inflation may impact some elements of the portfolio, but in general the Manager ensures at the time of initial investment that investee companies are well-capitalised to trade through periods of lower market demand or supply challenges. This is evidenced by the portfolio remaining relatively resilient over the COVID-19 period, supported by the Manager's active style, to ensure risks are identified and mitigated early.

The Company made four follow-on investments in the period, totalling £2.6 million, to support further growth opportunities. Further details are provided on the right hand side of this page.



### Mizaic Ltd (formerly IMMJ Systems Limited)

In February 2023, £0.6 million was invested in Mizaic, a clinical electronic document management solution supplier to the NHS. The investment will be used to grow the leadership team and bolster the business's abilities to support the digitisation of records, providing easy and efficient access to patient records for clinical care across the NHS.



### Ten Health & Fitness Limited

In March 2023, Ten Health & Fitness, a multi-site operator in the boutique health, wellbeing and fitness market, received an additional investment of £0.4 million. The funding enabled the company to complete its new Kings Cross site and support the company's transition to profitability from Q1 2023. The flagship Kings Cross site opened in March and is already trading well.



### NorthWest EHealth Limited ("NWEH")

In March 2023, the Company invested a further £1.5 million in NWEH, which provides software and services to the clinical trials market, allowing pharmaceutical companies and contract research organisations to conduct feasibility studies, recruit patients and run trials. The investment will be used to support the delivery of a number of new real world trials in FY23, while completing building the company's Connexion platform to be compatible with up to 18 million UK healthcare data sources. Since investment, NWEH has won a number of new customers and is considering changing its business model to focus more on referral revenues, which will mean a lower cost overhead in the business.



### Additive Manufacturing Technologies Ltd ("AMT")

In April 2023, the Company invested £0.1 million in AMT, which manufactures systems that automate the post-processing of 3D printed parts. See the key valuation changes in the period section on page 14 for further details.

## Manager's Review continued

### Pipeline

As at 30 June 2023, the Company held cash of £39.0 million. This will be used to fund new and follow-on investments, buybacks and running expenses, and support the Company's dividend objectives. The Manager has a number of opportunities under exclusivity or in due diligence. The Company remains well positioned to continue pursuing these potential investment opportunities.

### Exits and realisations

Whilst global M&A markets are relatively soft, the Manager has delivered some strong realisations in the period. The Manager has witnessed particularly strong interest from overseas buyers, particularly those that are US funded. Certain acquirers also strategically need to acquire a UK presence following the UK's exit from the EU. However, M&A activity in the broader market has been lower so far in 2023 than recent years, suggesting the market might be cooling slightly in the face of economic uncertainty and rising interest rates.



### Datapath Group Limited

In March 2023, the Company was pleased to announce the exit of Datapath, a global leader in the provision of hardware and software solutions for multiscreen displays. The transaction generated proceeds of £10.1 million at completion with an additional £2.3 million payable over the next 24 months. When added to £10.8 million of cash returned to date, this implies a total cash-on-cash return of 11.6 times the original investment of £2.0 million made in September 2007, equivalent to an IRR of 38%.

Since the original investment, the Manager had supported Datapath through a period of material growth, with revenues growing from approximately £7 million to £25 million. Datapath has developed a market-leading hardware and software product suite for the delivery of multiscreen displays and video walls which are sold globally to a diverse customer base across a range of sectors.



### Innovation Consulting Group Limited ("GovGrant")

In March 2023, the Company announced the exit of GovGrant to Source Advisors, a US corporate buyer backed by BV Investment Partners. GovGrant is one of the UK's leading providers of R&D tax relief, patent box relief and other innovation services. The transaction generated proceeds of £6.8 million at completion. When added to £0.7 million of cash returned to date, this implies a total cash-on-cash return of 4.5 times the capital of £1.65 million invested in October 2015, equivalent to an IRR of 25%.

Since the original investment in 2015, the Manager had helped GovGrant through a period of material growth during which it supported the R&D activities of a growing number of customers. GovGrant's high levels of service and innovative products, such as the growing patent box offering, have contributed to driving innovation in the UK economy. The Manager had taken a proactive approach to supporting the exceptional senior management team, all of whom were introduced to the business during the investment period.



### Protean Software Limited

In July 2023, the Company achieved a successful exit of its holding in Protean Software to Joblogic, a UK-based direct provider of Field Service Management software to SMEs, and Protean's direct competitor. The Manager invested in Protean in July 2015 as one of the last buyouts prior to the changes in VCT legislation. Over the holding period the Manager helped Protean transition its highly featured legacy product into a modern software product sold on a SaaS basis. The transaction generated proceeds of £3.5 million on completion. When added to £0.1 million of cash returned to date, this implies a total cash-on-cash return of 2.4 times the original investment of £1.5 million made in July 2015, equivalent to an IRR of 12%.

## Manager's Review continued

### Disposals in the period ended 30 June 2023

Company	Detail	Total invested <sup>1</sup> (£)	Accounting cost at date of disposal <sup>2</sup> (£)	Exit proceeds and deferred consideration (£)	Total return <sup>3</sup> (£)
Innovation Consulting Group Limited	Full disposal	1,650,000	1,938,046	6,788,558	7,444,806
Datapath Group Limited	Full disposal	2,000,000	11,081,243	12,432,757	23,203,221
		<b>3,650,000</b>	<b>13,019,289</b>	<b>19,221,315</b>	<b>30,648,027</b>

1. Total invested reflects the total cash investment made by the Company and Foresight 3 VCT plc.

2. The accounting cost includes the valuation of Foresight 3 VCT plc's investment in Datapath at the point it was transferred to the Company as part of the merger in June 2017. The investment cost at the date of transfer was £73,250.

3. Total return includes yield returned to the Company and Foresight 3 VCT plc up to the date of the exit.



## Manager's Review continued

### Key portfolio developments

In the first six months of the year, the portfolio has demonstrated continued resilience in the face of the economic headwinds that started mid-way through 2022.

Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2022, are detailed on the right hand side of this page. Updates on these companies are included to the right hand side of this page, or in the Top Ten Investments section on pages 19 to 22.

### Key valuation changes in the period

Company	Valuation (£)	Valuation change (£)
Callen-Lenz Associates Limited	9,283,367	3,880,264
Aerospace Tooling Corporation Limited	3,190,346	(1,111,974)
Additive Manufacturing Technologies Ltd	—	(1,833,018)



#### Aerospace Tooling Corporation Limited

Founded in 2007, Aerospace Tooling Corporation ("ATL") is a niche engineering company based in Dundee. ATL provides specialist inspection, maintenance, repair and overhaul services for components in high-specification aerospace and turbine engines.

#### 30 June 2023 update

Trading continues to be behind expectations, due to a combination of external factors, such as delays from customers providing parts for repair, and internal factors such as equipment failures. The senior management team has been significantly strengthened with a new chair and operations director hired, and a new finance director to start in the coming quarter.



#### Additive Manufacturing Technologies Ltd ("AMT")

AMT is developing machines for post-production of 3D printed parts: removal of excess polymer ("depowdering"), surface smoothing/polishing, colouring and inspection. AMT's goal is to provide a fully automated end-to-end post-production system, the "DMS", with robots linking each stage.

#### 30 June 2023 update

The business is navigating the challenging economic environment with support from the Manager, providing expertise and guidance in line with its active management approach.



## Manager's Review continued

### Outlook

The global and UK markets have experienced a volatile past six months following a strong recovery in consumer and business demand after the COVID-19 pandemic. The recovery has been somewhat stalled due to various economic factors following the pandemic. Rising input prices, driven by supply chain constraints during COVID-19 and rapidly increasing energy prices following Russia's invasion of Ukraine in Q1 2022, drove inflation to a high of 11.1% in October 2022. This was initially slow to decrease, with inflation remaining at 10.1% in March 2023 and 7.9% in June 2023, partly driven by wage inflation resulting from a tight labour market in the UK.

The Bank of England responded by steadily raising the base interest rate from 0.1% in December 2021 to 5.25% in August 2023. While this is now taking effect with inflation reducing, many analysts predict further increases to interest rates in the short term. The Bank of England is expected to maintain interest rates at their current level in the medium term, with most analysts predicting no meaningful reduction during 2024. Rising wage inflation is limiting the impact of interest rate rises, suggesting a further tightening of monetary policy, which would potentially drive the UK into recession in late 2023 or 2024.

Despite this backdrop, the Company's portfolio is reasonably well positioned to withstand the market volatility and economic headwinds. We have worked to balance risk, with the portfolio exposed to a broad base of both well-established and earlier-stage growth companies across a range of sectors. In the period to 30 June 2023, the portfolio continued to perform well, with the Company realising two investments in this time.

Notable examples that demonstrate our ability to capitalise on high-quality regional opportunities in a variety of sectors are the sale of Innovation Consulting Group, a St Albans provider of R&D tax relief, patent box relief and other innovation services, to a US corporate buyer backed by BV Investment Partners that generated a 4.5 times return on investment, and Datapath Group, a Derbyshire-based global leader in the provision of visual solutions, achieving an impressive cash-on-cash return of 11.6 times the original investment. The current portfolio is well diversified with a good mix of earlier-stage and more mature investments that will yield attractive opportunities for the Company over time.

The Manager continues to leverage its regional offices to source the highest quality growth companies where we can employ our extensive advisory network and proactive portfolio management style to drive growth and add value to each investee company. There remains a strong appetite for funding from the smaller UK businesses with growth potential, which manifested itself in a number of exciting deals completed in the past year. Despite shifts in the investment landscape, we continue to see excellent opportunities to support small companies in many sub-sectors, such as health, technology and compliance systems, amongst others.

While the macro environment is precarious, we believe that the Company's portfolio is well placed to cope with a period of uncertainty. The UK undoubtedly remains an exceptional place to start, fund and grow a small business, and the Manager remains committed to supporting the best UK entrepreneurs on their journey.

**James Livingston**

Foresight Group LLP

28 September 2023



## Case Study

### HomeLink key facts

Name	HomeLink Healthcare Limited
Location	Mimet House, 5a Praed Street, London W2 1NJ
Website	<a href="http://www.homelinkhealthcare.co.uk">www.homelinkhealthcare.co.uk</a>
Industry	Healthcare
Foresight Enterprise VCT plc commitment	£1.1 million
Foresight Enterprise VCT plc ownership %	11.3% (fully diluted)
Stage	Growth capital
Investment date	March 2022
Total Foresight Group LLP commitment	£2.2 million (£1.1 million of investment made by Foresight Enterprise VCT plc and £1.1 million of investment made by Foresight VCT plc)

# HomeLink Healthcare Limited

Formed in 2015, HomeLink has provided “Hospital at Home” services since 2018. The company employs highly qualified and experienced nurses and rehabilitation teams to support the NHS by providing services to patients in their own homes. These services deliver a range of clinical interventions, including wound care, intravenous therapies, physiotherapy and rehabilitation. HomeLink has also expanded into the rapidly growing remote monitoring practice and offers a virtual ward solution.

Bed-blocking is an endemic issue across the NHS with significant delays in the discharge of patients and increasing hospital admissions due to a lack of viable alternatives. This has been exacerbated by demographic shifts and the pandemic. HomeLink relieves these pressures by freeing up vital hospital bed space, providing a better experience for patients at home, reducing hospital admissions, and facilitating the efficient discharge of patients.

Demand for HomeLink’s services is forecast to grow significantly because of recent Government initiatives around efficiency, the elective surgery backlog and NHS England, which has put in place a number of supportive measures. This includes increased funding for community care and virtual wards.



# About the Manager

The Company has appointed Foresight Group LLP (“the Manager”) to provide investment management and administration services. The Manager is a leading private equity and infrastructure investment manager with its parent company, Foresight Group Holdings Limited, listed on the London Stock Exchange. The Manager and undertakings within the same group make up the Foresight Group.

**Foresight Group**  
Sustainability and ESG criteria are central to all investments – Foresight was among the first to prioritise sustainability and ESG and it remains at the forefront of these developing investment themes.

69%	31%	44
Institutional AUM	Retail AUM	Investment vehicles
200+	40,000	£12.2bn
Institutional investors	Retail investors	AUM (as at 31 March 2023)



## London Stock Exchange

On 9 February 2021, Foresight Group Holdings Limited shares were unconditionally listed on the premium segment of the London Stock Exchange Main Market, under the ticker “FSG”. Foresight Group Holdings Limited was awarded the LSE’s Green Economy Mark, which recognises companies that derive 50% or more of their annual revenues from products and services that contribute to the global green economy.

[www.fsg-investors.com](http://www.fsg-investors.com)

**Infrastructure**  
Foresight Group’s Infrastructure division is one of Europe’s and Australia’s most established real assets investors, with an investment strategy which focuses on all forms of renewable energy and waste projects, as well as batteries, reserve power and interconnectors. In addition, we invest in transport businesses, social infrastructure, broadband companies and natural capital.

£9.5bn
AUM   78%
Revenue   61%

**Private Equity**  
Foresight Group’s Private Equity division is one of the most active UK regional SME investors, supporting companies through various economic cycles. We partner with promising SMEs across all sectors and deal stages, and work together to achieve long-term sustainable growth. Each year we review over 2,500 business plans and are currently supporting more than 250 SMEs.

£1.4bn
AUM   11%
Revenue   28%

**Foresight Capital Management**  
Foresight Group’s Foresight Capital Management (“FCM”) Team applies private market expertise to opportunities in listed markets. The FCM Team and investment approach were established in 2017 to facilitate retail and institutional investors accessing infrastructure, renewables and real estate investment opportunities through actively managed open-ended funds investing in listed securities.

£1.3bn
AUM   11%
Revenue   11%

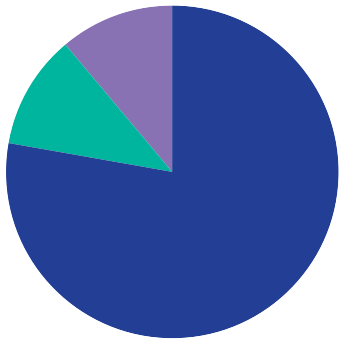
## About the Manager continued

Foresight Group is a leading infrastructure and private equity investment manager.

### £12.2bn

AUM as at 31 March 2023

Group AUM



Key

- Infrastructure (78%)
- Foresight Capital Management (11%)
- Private Equity (11%)



# Top Ten Investments

By value as at 30 June 2023

1. 

## Specac International Limited

Kent [www.specac.com](http://www.specac.com)

### Sector: Industrials & Manufacturing

Specac International is a leading manufacturer of high specification sample analysis and preparation equipment used in testing and research laboratories worldwide, primarily supporting infrared spectroscopy.

#### 30 June 2023 update

Specac continues to trade well, driven by market demand for its products and a continued focus on sales to non-OEM (“original equipment manufacturer”) customers. Trading is roughly consistent with prior year, which is pleasing considering that March to June 2022 was a particularly strong trading period. EBITDA continues to progress as overheads remain well controlled.

Initial investment	April 2015
Amount invested (£)	1,300,000
Accounting cost (£)	2,054,761
Investment value (£)	10,884,396
Basis of valuation	Discounted earnings multiple
Equity held (%)	42.6%

2.  Callen-Lenz

## Callen-Lenz Associates Limited

Salisbury [www.callenlenz.com](http://www.callenlenz.com)

### Sector: Industrials & Manufacturing

Callen-Lenz develops, designs and manufactures air vehicles, vehicle components and navigation and communication software for high performance unmanned aerial vehicles (“UAVs”) globally.

#### 30 June 2023 update

Callen-Lenz is delivering significant revenue growth and is investing in outsourced manufacturing to meet future demand for aircraft, whilst also developing additional aircraft types. Maintaining close links with customers will be key for anticipating future demand and the business currently enjoys a strong order book.

Initial investment	August 2021
Amount invested (£)	2,375,000
Accounting cost (£)	2,375,000
Valuation (£)	9,283,367
Basis of valuation	Discounted revenue multiple
Equity held (%)	12.5%

3. 

## Hospital Services Group Limited

Belfast [www.hsl.ie](http://www.hsl.ie)

### Sector: Healthcare

Hospital Services Group (“HSL”) distributes, installs and maintains high-quality healthcare equipment and consumables from global partners such as Hologic, GE and Shimadzu. HSL has strengths in the radiology, ophthalmic, ultrasound and surgical sectors, as well as a growing presence in telehealth (delivery of healthcare services via remote technologies) and broader healthcare IT.

#### 30 June 2023 update

HSL has continued to trade strongly with robust demand in healthcare markets across Ireland, Northern Ireland and Great Britain. The business has recently bolstered the management team, adding an experienced COO, and has moved into larger premises in Belfast, allowing better integration of a prior acquisition and providing room for growth.

Initial investment	April 2015
Amount invested (£)	1,200,000
Accounting cost (£)	1,200,000
Investment value (£)	6,906,538
Basis of valuation	Discounted earnings multiple
Equity held (%)	16.3%

For the investments below held by Foresight 3 VCT plc (“F3”) pre-merger on 22 June 2017, the amount invested refers to the initial amount invested by F3 and the Company. The accounting cost includes both the initial investment by both funds and also the valuation of the F3 investment at the point it was transferred to the Company.

# Top Ten Investments continued

By value as at 30 June 2023

4. 

## Roxy Leisure Holdings Limited

Manchester

[www.roxyleisure.co.uk](http://www.roxyleisure.co.uk)

### Sector: Consumer & Leisure

Roxy Leisure ("Roxy") is a games bar group with venues across the UK. It offers a range of entertainment facilities including pool tables, ping-pong, bowling, shuffleboard, mini golf, arcade games and karaoke.

### 30 June 2023 update

Trading remains strong despite challenging macroeconomic conditions. Q2 was particularly impacted by a period of exceptionally hot weather, with consumers preferring outdoor activities. However, the company has seen a very encouraging bounce back at the start of Q3, with like-for-like trading returning to positive growth. Roxy continued its site rollout strategy in the first half of the year, opening venues in Cardiff and Leicester. It has also launched its first family-focused bowling venue, "King Pins", which is trading well.

Initial investment	December 2019
Amount invested (£)	2,500,000
Accounting cost (£)	2,500,000
Valuation (£)	5,790,803
Basis of valuation	Discounted earnings multiple
Equity held (%)	5.6%

5. 

## TLS HoldCo Limited

Leicestershire

[www.trueleens.co.uk](http://www.trueleens.co.uk)

### Sector: Other

TLS HoldCo (previously Galinette Limited) holds investments in smaller companies, most notably True Lens Services Limited ("TLS"). TLS is based in Barwell, Leicestershire and is a specialist provider of lens manufacturing, refurbishment and servicing to the film and television markets.

### 30 June 2023 update

TLS continues to trade well and relocated to a new, larger property in April 2023, which has significantly increased its operating capacity and is also helping to recruit new staff. TLS continues to build its order book, which continues to underpin the growth of the business.

Initial investment	December 2015
Amount invested (£)	100
Accounting cost (£)	100
Valuation (£)	4,892,448
Basis of valuation	Discounted earnings multiple
Equity held (%)	42.5%

6. 

## Fourth Wall Creative Limited

Wirral

[www.fourthwallcreative.com](http://www.fourthwallcreative.com)

### Sector: Consumer & Leisure

Fourth Wall Creative provides fan engagement services to Premier League and Championship football clubs and other sporting organisations via its technology platforms. It also designs, sources and fulfils membership welcome packs and related products.

### 30 June 2023 update

Fourth Wall continues to grow both revenues and customers in the year, with sales up significantly from the previous year. It now serves c.900k members via football clubs and sporting organisations either through its technology platform directly or by providing club-branded products to fans on behalf of the clubs.

Initial investment	April 2019
Amount invested (£)	2,900,000
Accounting cost (£)	2,900,000
Valuation (£)	4,334,355
Basis of valuation	Discounted revenue multiple
Equity held (%)	16.6%

# Top Ten Investments continued

By value as at 30 June 2023

## 7.

### Spektrix Limited

London

[www.spektrix.com](http://www.spektrix.com)

#### Sector: Technology, Media & Telecommunications

Spektrix is an enterprise software company, providing ticketing, customer relationship management, marketing and fundraising software to companies in the performing arts sector across the UK and the US.

#### 30 June 2023 update

The sector is showing good recovery in ticket sales for both the UK and the US clients. Spektrix continues to make good progress, generating strong recurring revenue growth and signing several new clients in both the UK and US during the period. There is continued investment in the technology platform to support continued growth.

Initial investment	December 2018
Amount invested (£)	2,998,350
Accounting cost (£)	2,380,350
Valuation (£)	4,295,837
Basis of valuation	Price of last funding round
Equity held (%)	5.0%

## 8.

### Clubspark Group Ltd

London

[www.clubspark.com](http://www.clubspark.com)

#### Sector: Technology, Media & Telecommunications

Clubspark is a sports club management and reporting platform for local organisations and national governing bodies.

#### 30 June 2023 update

Clubspark continues to trade well. The new CFO joined the business in June and is an experienced FD with recent SaaS experience at Prospectsoft and The Access Group. Clubspark continues to build on its successful relationships in the global tennis software market with the LTA, USTA, Tennis Australia and the ITF. Each provides a unique point of entry to its market, given the affiliation many of the underlying clubs have with these national or international governing bodies.

Initial investment	January 2019
Amount invested (£)	1,860,000
Accounting cost (£)	1,860,000
Valuation (£)	3,626,392
Basis of valuation	Discounted revenue multiple
Equity held (%)	12.2%

## 9.

### Protean Software Limited

Coventry

[www.proteansoftware.com](http://www.proteansoftware.com)

#### Sector: Technology, Media & Telecommunications

Protean develops and sells business management and field service management software for organisations involved in the supply, installation, maintenance and hire of equipment, across sectors such as facilities management, HVAC maintenance and elevator installation.

#### 30 June 2023 update

Protean has traded in line with expectations for the quarter. Investment has been made in additional sales and marketing in order to maintain the revenue growth trajectory. Shortly post-period end the business was successfully sold, as set out in the Manager's Report on page 12.

Initial investment	July 2015
Amount invested (£)	1,500,000
Accounting cost (£)	1,795,229
Investment value (£)	3,514,324
Basis of valuation	Sales proceeds
Equity held (%)	23.8%

# Top Ten Investments continued

By value as at 30 June 2023



## NorthWest EHealth Limited (“NWEH”)

Manchester

[www.nweh.co.uk](http://www.nweh.co.uk)

### Sector: Healthcare

NWEH provides software and services to the clinical trials market, allowing pharmaceutical companies and contract research organisations to conduct feasibility studies, recruit patients and run real world drugs trials.

### 30 June 2023 update

In March 2023, the Company invested a further £1.5 million in NWEH. The investment will be used to support the delivery of a number of new real world trials in FY23, while completing building the company’s Connexion platform to be compatible with up to 18 million UK healthcare data sources. Since investment, NWEH has won a number of new customers and is considering changing its business model to focus more on “find and refer” revenues, which will mean a lower cost overhead in the business.

Initial investment	June 2021
Amount invested (£)	2,999,999
Accounting cost (£)	2,999,999
Valuation (£)	3,433,202
Basis of valuation	Discounted revenue multiple
Equity held (%)	20.2%





# Portfolio Overview

Investment by value	30 June 2023		Valuation methodology	31 December 2022	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
Specac International Limited <sup>1</sup> ●	2,054,761	10,884,396	Discounted earnings multiple	2,054,761	10,788,670
Callen-Lenz Associates Limited <sup>1</sup> ●	2,375,000	9,283,367	Discounted revenue multiple	2,375,000	5,403,103
Hospital Services Group Limited <sup>1</sup> ●	1,200,000	6,906,538	Discounted earnings multiple	1,200,000	6,850,996
Roxy Leisure Holdings Limited <sup>1</sup> ●	2,500,000	5,790,803	Discounted earnings multiple	2,500,000	5,937,355
TLS HoldCo Limited <sup>1</sup> ●	100	4,892,448	Discounted earnings multiple	100	4,677,028
Fourth Wall Creative Limited <sup>1</sup> ●	2,900,000	4,334,355	Discounted revenue multiple	2,900,000	3,607,752
Spektrix Limited <sup>1</sup> ●	2,380,350	4,295,837	Price of last funding round	2,380,350	4,295,837
Clubspark Group Ltd <sup>1</sup> ●	1,860,000	3,626,392	Discounted revenue multiple	1,860,000	3,257,564
Protean Software Limited <sup>1</sup> ●	1,795,229	3,514,324	Sale proceeds	1,795,229	2,629,229
NorthWest EHealth Limited <sup>1</sup> ●	2,999,999	3,433,202	Discounted revenue multiple	1,500,000	2,334,513
Biofortuna Limited ●	3,517,537	3,313,280	Discounted revenue multiple	3,517,537	3,746,570
Aerospace Tooling Corporation Limited ●	415,255	3,190,346	Discounted earnings multiple	415,255	4,302,320
Ten Health & Fitness Limited ●	2,400,000	2,968,433	Discounted revenue multiple	2,000,000	2,228,835
Mizaic Ltd (formerly IMMJ Systems Limited) ●	2,400,000	2,805,451	Discounted revenue multiple	1,750,000	2,575,331
PH Realisations 2020 Limited ●	2,162,929	2,633,592	Discounted earnings multiple	2,162,929	2,633,592
Copptech UK Limited ●	2,455,000	2,515,530	Discounted revenue multiple	2,455,000	2,455,000
Newsflare Limited ●	2,000,000	2,433,269	Discounted revenue multiple	2,000,000	2,406,491
Hexarad Group Limited ●	1,549,999	2,379,373	Price of last funding round	1,549,999	2,378,829
HomeLink Healthcare Limited ●	1,075,000	2,230,418	Discounted revenue multiple	1,075,000	1,693,115

1. Top Ten Investments by value shown on pages 19 to 22.

## Key

● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Financial Planning ● Other

## Portfolio Overview continued

Investment by value	30 June 2023		Valuation methodology	31 December 2022	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
Titania Group Limited ●	1,250,000	2,219,617	Discounted revenue multiple	1,250,000	1,922,333
Strategic Software Applications Ltd ●	1,750,000	1,936,712	Discounted revenue multiple	1,750,000	1,750,000
Itad (2015) Limited ●	1,371,726	1,912,828	Discounted earnings multiple	1,371,726	1,911,496
Positive Response Corporation Ltd ●	884,195	1,878,012	Discounted revenue multiple	884,195	1,710,657
Steamforged Holdings Limited ●	1,600,000	1,852,427	Discounted revenue multiple	1,600,000	1,889,053
Red Flag Alert Technology Group Limited ●	1,750,000	1,750,000	Cost	—	—
Crosstown Dough Ltd ●	1,500,000	1,542,525	Discounted revenue multiple	1,500,000	1,636,110
Firefish Software Ltd. ●	1,500,000	1,500,000	Cost	—	—
Rovco Limited ●	1,476,880	1,476,880	Discounted price of last funding round	1,476,880	1,476,880
Iphigenie Limited ●	100	1,261,417	Discounted earnings multiple	100	1,261,403
ABL Investments Limited ●	1,494,075	1,252,648	Discounted earnings multiple	1,494,075	1,114,116
iMIST Group Limited ●	1,614,500	1,146,938	Discounted revenue multiple	1,614,500	1,764,252
The KSL Clinic Limited ●	1,000,000	1,000,000	Cost	—	—
Sprintroom Limited ●	1,000,000	1,000,000	Cost	—	—
So-Sure Limited ●	1,600,000	979,396	Discounted revenue multiple	1,600,000	1,600,000
Luminet Networks Limited ●	960,000	977,600	Discounted offer received	960,000	621,800
Five Wealth Limited ●	712,500	712,500	Cost	—	—
Whitchurch PE 1 Limited ●	378,000	632,427	Discounted earnings multiple	378,000	632,533
Cole Henry PE 2 Limited ●	200,000	356,451	Discounted earnings multiple	200,000	356,557

### Key

● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Financial Planning ● Other

## Portfolio Overview continued

Investment by value	30 June 2023		Valuation methodology	31 December 2022	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
Weduc Holdings Limited ●	23,750	309,040	Discounted revenue multiple	23,750	258,471
Kingsclere PE 3 Limited ●	100,000	203,147	Discounted earnings multiple	100,000	203,253
Sindicatum Carbon Capital Limited ●	544,538	—	Nil value	544,538	—
Vio Healthtech Limited ●	675,578	—	Nil value	675,578	—
Additive Manufacturing Technologies Ltd ●	1,833,018	—	Nil value	1,737,499	1,737,499
Biotherapy Services Limited ●	2,250,000	—	Nil value	2,250,000	—
Datapath Group Limited ●	—	—	Sold	11,081,243	10,491,390
Innovation Consulting Group Limited ●	—	—	Sold	1,938,046	5,426,677
<b>Total</b>	<b>65,510,019</b>	<b>107,331,919</b>		<b>69,921,290</b>	<b>111,966,610</b>

### Key

● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Financial Planning ● Other

# Responsible Investment

In order to deliver sustainable growth and long-term success, the Manager believes it is critical to incorporate environmental, social and governance (“ESG”) factors into its investment management processes.

Often referred to as Responsible Investment, these principles provide not only a key basis for generating attractive returns for investors, but also help build better quality businesses in the UK, creating jobs and making a positive contribution to society.

ESG values form an integral part of the Manager’s day-to-day decision-making, with all new investments made since May 2018 subject to ESG due diligence and ongoing ESG monitoring.

This accounts for 64% of the current portfolio, with the view of reaching 100% as legacy investments are sold.

Central to its investment approach are five ESG Principles which are used to evaluate investee companies.

In total, over 100 individual key performance indicators are considered under the five Principles.

The Manager invests in a wide range of sectors and believes its approach covers the key tests that should be applied to assess a company’s ESG performance, throughout the lifecycle of an investment:



## Strategy and awareness

Does the business demonstrate a good awareness of corporate social responsibility?

Is this reflected in its processes and management structure?



## Environmental

Does the company follow good practice for limiting or mitigating its environmental impact, in the context of its industry?

How does it encourage the responsible use of the world’s resources?



## Social

What impact does the company have on its employees, customers and society as a whole?

Is it taking steps to improve the lives of others, either directly, such as through job creation, or indirectly?



## Governance

Does the company and its leadership team demonstrate integrity?

Are the correct policies and structures in place to ensure it meets its legislative and regulatory requirements?



## Third-party interaction

Is the principle of corporate responsibility evidenced in the company’s supply chain and customers?

How does it promote ESG values and share best practice?

# Responsible Investment continued

## UN SDGs

The UN's Sustainable Development Goals ("SDGs") also represent a key driver and important lens through which corporate and investment activities are reviewed.

In May 2021, the Manager formalised its Impact Themes for private equity investments into four areas:

- Health
- Quality Employment at Scale
- Research and Innovation
- Sustainable, Inclusive, Local Infrastructure and the Environment

These outcome-focused themes are aligned with the UN's SDGs. They help the Manager assess any opportunities in the business model, and by mapping its investments to them, the private equity team can identify the value and benefits for the companies, society and the environment.

All new portfolio companies since May 2018 are subject to an annual assessment where progress against each of the five Principles and four Impact Themes is measured and an evaluation matrix updated to allow progress to be tracked and continuous improvement encouraged.

The diagram shows the specific SDGs that the Manager has scope to contribute to across all of its activities.



# Governance

## What's in this section

Unaudited Half-Yearly Results  
and Responsibilities Statements

29

# 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 and financial 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 period ended 31 December 2022. A detailed explanation can be found on pages 45 to 47 of the Annual Report and Accounts, which is available on Foresight Enterprise VCT's website [www.foresightenterprisevct.com](http://www.foresightenterprisevct.com) or by writing to Foresight Group LLP at The Shard, 32 London Bridge Street, London SE1 9SG. The Board considers that these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

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 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.

## Directors' responsibility statement

The Disclosure and Transparency Rules ("DTR") of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Half-Yearly Financial Report and financial statements.

The Directors confirm to the best of their knowledge that:

- a) The summarised set of financial statements has been prepared in accordance with 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 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 Chair's Statement, Strategic Report and Notes to the Accounts of the 31 December 2022 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 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 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

**Raymond Abbott**

Chair

28 September 2023

# Financial Statements

## What's in this section

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# Unaudited Income Statement

For the six months ended 30 June 2023

	Six months ended 30 June 2023 (Unaudited)			Six months ended 30 June 2022 (Unaudited)			Year ended 31 December 2022 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	—	3,411	3,411	—	17,283	17,283	—	17,493	17,493
Investment holding gains/(losses)	—	1,950	1,950	—	(12,158)	(12,158)	—	(8,465)	(8,465)
Income	1,048	—	1,048	264	—	264	871	—	871
Investment management fees	(373)	(1,573)	(1,946)	(332)	(995)	(1,327)	(681)	(2,323)	(3,004)
Other expenses	(417)	—	(417)	(309)	—	(309)	(673)	—	(673)
Return/(loss) on ordinary activities before taxation	258	3,788	4,046	(377)	4,130	3,753	(483)	6,705	6,222
Taxation	—	—	—	—	—	—	—	—	—
Return/(loss) on ordinary activities after taxation	258	3,788	4,046	(377)	4,130	3,753	(483)	6,705	6,222
Return/(loss) per share	0.1p	1.7p	1.8p	(0.2)p	2.1p	1.9p	(0.2)p	3.3p	3.1p

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 June 2023

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve <sup>1</sup> £'000	Capital reserve <sup>1</sup> £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2023	2,133	68,203	573	57,309	(32,793)	43,025	138,450
Share issues in the period	237	15,756	—	—	—	—	15,993
Expenses in relation to share issues	—	(632)	—	—	—	—	(632)
Repurchase of shares	(33)	—	33	(2,011)	—	—	(2,011)
Realised gains on disposal of investments	—	—	—	—	3,411	—	3,411
Investment holding gains	—	—	—	—	—	1,950	1,950
Dividends paid	—	—	—	(7,692)	—	—	(7,692)
Management fees charged to capital	—	—	—	—	(1,573)	—	(1,573)
Revenue return for the period	—	—	—	258	—	—	258
<b>As at 30 June 2023</b>	<b>2,337</b>	<b>83,327</b>	<b>606</b>	<b>47,864</b>	<b>(30,955)</b>	<b>44,975</b>	<b>148,154</b>

1. Reserve is available for distribution, total distributable reserves at 30 June 2023 are £16,909,000 (31 December 2022: £24,516,000).

# Unaudited Balance Sheet

At 30 June 2023

Registered number: 03506579

	As at 30 June 2023 (Unaudited) £'000	As at 30 June 2022 (Unaudited) £'000	As at 31 December 2022 (Audited) £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	107,332	103,365	111,966
<b>Current assets</b>			
Debtors	3,341	5,836	2,152
Cash and cash equivalents	39,012	25,730	24,814
<b>Total current assets</b>	<b>42,353</b>	<b>31,566</b>	<b>26,966</b>
<b>Creditors</b>			
Amounts falling due within one year	(1,531)	(174)	(482)
<b>Net current assets</b>	<b>40,822</b>	<b>31,392</b>	<b>26,484</b>
<b>Net assets</b>	<b>148,154</b>	<b>134,757</b>	<b>138,450</b>
<b>Capital and reserves</b>			
Called-up share capital	2,337	1,996	2,133
Share premium account	83,327	58,068	68,203
Capital redemption reserve	606	557	573
Distributable reserve	47,864	66,479	57,309
Capital reserve	(30,955)	(31,675)	(32,793)
Revaluation reserve	44,975	39,332	43,025
<b>Equity Shareholders' funds</b>	<b>148,154</b>	<b>134,757</b>	<b>138,450</b>
<b>Net Asset Value per share</b>	<b>63.4p</b>	<b>67.5p</b>	<b>64.9p</b>

# Unaudited Cash Flow Statement

For the six months ended 30 June 2023

	Six months ended 30 June 2023 (Unaudited) £'000	Six months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
<b>Cash flow from operating activities</b>			
Loan interest received from investments	636	193	653
Dividends received from investments	—	26	38
Deposit and similar interest received	412	19	202
Investment management fees paid	(1,485)	(1,330)	(2,766)
Secretarial fees paid	(91)	(83)	(178)
Other cash payments	(288)	(191)	(433)
<b>Net cash outflow from operating activities</b>	<b>(816)</b>	<b>(1,366)</b>	<b>(2,484)</b>
<b>Cash flow from investing activities</b>			
Purchase of investments	(7,608)	(3,202)	(9,987)
Net proceeds on sale of investments	16,430	15,408	20,951
Net proceeds on deferred consideration	—	24	234
<b>Net cash inflow from investing activities</b>	<b>8,822</b>	<b>12,230</b>	<b>11,198</b>
<b>Cash flow from financing activities</b>			
Proceeds of fundraising	14,685	4,469	13,987
Expenses of fundraising	(360)	(98)	(361)
Repurchase of own shares	(1,448)	(525)	(1,467)
Equity dividends paid	(6,685)	(6,093)	(13,172)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>6,192</b>	<b>(2,247)</b>	<b>(1,013)</b>
<b>Net inflow of cash in the period</b>	<b>14,198</b>	<b>8,617</b>	<b>7,701</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash and cash equivalents for the period	14,198	8,617	7,701
Net cash and cash equivalents at start of period	24,814	17,113	17,113
<b>Net cash and cash equivalents at end of period</b>	<b>39,012</b>	<b>25,730</b>	<b>24,814</b>

## Analysis of changes in net debt

	At 1 January 2023 £'000	Cash flow £'000	At 30 June 2023 £'000
Cash and cash equivalents	24,814	14,198	39,012

# Notes to the Unaudited Half-Yearly Results

For the six months ended 30 June 2023

## 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 December 2022. Unquoted investments have been valued in accordance with IPEV Valuation Guidelines (as updated in December 2022 including further COVID-19 guidance in March 2020).

## 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 2023 and 30 June 2022 has been neither audited nor formally reviewed. Statutory accounts in respect of the year ended 31 December 2022 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 December 2022 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 will be sent to Shareholders via their chosen method and will be available for inspection at the Registered Office of the Company at 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.

	Net assets	Number of shares in issue
30 June 2023	£148,154,000	233,691,676
30 June 2022	£134,757,000	199,590,704
31 December 2022	£138,450,000	213,316,422

## 5 Return per share

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

	Shares
Six months ended 30 June 2023	225,472,482
Six months ended 30 June 2022	195,162,969
Year ended 31 December 2022	198,639,819

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

## 6 Income

	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000
Loan stock interest	636	207	631
Deposit and similar interest received	412	19	202
Dividends receivable	—	38	38
<b>Total income</b>	<b>1,048</b>	<b>264</b>	<b>871</b>

## 7 Investments at fair value through profit or loss

	£'000
Book cost as at 1 January 2023	69,921
Investment holding gains	42,045
<b>Valuation at 1 January 2023</b>	<b>111,966</b>
Movements in the period:	
Purchases	8,608
Disposal proceeds <sup>1</sup>	(16,430)
Realised gains	3,411
Investment holding losses <sup>2</sup>	(223)
<b>Valuation at 30 June 2023</b>	<b>107,332</b>
Book cost at 30 June 2023	65,510
Investment holding gains	41,822
<b>Valuation at 30 June 2023</b>	<b>107,332</b>

- The Company received £16,430,000 from the disposal of investments during the period. The book cost of these investments when they were purchased was £13,019,000. 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.
- Investment holding gains in the Income Statement include the deferred consideration debtor increase of £2,173,000. The debtor movement reflects the recognition of amounts receivable in respect of Datapath Group Limited (£2,333,000), offset by an FX movement in respect of Codeplay Software Limited (£19,000) and provisions made against balances in respect of Mologic Ltd. (£105,000) and FFX Group Limited (£36,000).

# Notes to the Unaudited Half-Yearly Results continued

For the six months ended 30 June 2023

## 8 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.

## 9 Transactions with the Manager

Foresight Group LLP acts as Manager to the Company and was appointed on 27 January 2020. During the period, services of a total cost of £1,492,000 (30 June 2022: £1,327,000; 31 December 2022: £2,724,000) were purchased by the Company from Foresight Group LLP. Although no performance fee was paid in the period (30 June 2022: £nil; 31 December 2022: £nil), a liability of £734,000 has been recognised as at the period end (30 June 2022: £nil; 31 December 2022: £280,000).

During the period, administration services of a total cost of £91,000 (30 June 2022: £83,000; 31 December 2022: £178,000) were delivered to the Company by Foresight Group LLP, Company Secretary.

At 30 June 2023, the amount due to Foresight Group LLP was £nil (30 June 2022: £43,000; 31 December 2022: £nil).

# Glossary of Terms

## VCT

A Venture Capital Trust as defined in the Income Tax Act 2007.

## Net Asset Value or NAV

The Net Asset Value ("NAV") is the amount by which total assets exceed total liabilities, i.e. the difference between what the Company owns and what it owes. It is equal to Shareholders' equity, sometimes referred to as Shareholders' funds.

## Net Asset Value per share or NAV per share

Net Asset Value expressed as an amount per share.

## Movement in Net Asset Value Total Return

The movement in the NAV per share at the start of the period to the NAV per share at the end of the period plus all dividends paid per share in the period. The NAV at the start of the period was 64.9p (30 June 2022: 69.1p; 31 December 2022: 69.1p), dividends paid during the period were 3.3p (30 June 2022: 3.5p; 31 December 2022: 7.3p) with NAV at the end of the period being 63.4p (30 June 2022: 67.5p; 31 December 2022: 64.9p). As such, NAV Total Return at the end of the period was 66.7p (30 June 2022: 71.0p; 31 December 2022: 72.2p). Therefore, the movement in NAV Total Return in the period is 2.8% (30 June 2022: 2.7%; 31 December 2022: 4.5%).

## Discount to NAV

A discount to NAV is the percentage by which the mid-market share price of the Company of 58.5p (30 June 2022: 63.5p; 31 December 2022: 58.5p) is lower than the Net Asset Value per share as at the period end of 63.4p (30 June 2022: 67.5p; 31 December 2022: 64.9p); this giving a discount to NAV of 7.7% (30 June 2022: 5.9%; 31 December 2022: 9.9%).

## Dividends paid in the period

The total dividends per share paid in the period of 3.3p (30 June 2022: 3.5p; 31 December 2022: 7.3p).

## Dividend yield

The sum of dividends paid during the period of 3.3p (30 June 2022: 3.5p; 31 December 2022: 7.3p) expressed as a percentage of the mid-market share price at the period end date of 58.5p (30 June 2022: 63.5p; 31 December 2022: 58.5p); this giving a dividend yield of 5.6% (30 June 2022: 5.5%; 31 December 2022: 12.5%).

## Shares bought back in the period

The total number of shares which were bought back in the period, being 3,304,720 (30 June 2022: 774,369; 31 December 2022: 2,387,781).

## Average discount on buybacks

The average of the percentage by which the buyback price is lower than the Net Asset Value per share at the point of the buyback.

## Ongoing charges ratio

The sum of expenditure incurred in the ordinary course of business, being £1.9 million (30 June 2022: £1.6 million, 31 December 2022: £3.3 million), expressed as a percentage of the average of the quarterly net assets throughout the period in accordance with the AIC's recommended guidance, being £148.2 million (30 June 2022: £134.8 million, 31 December 2022: £145.5 million), adjusted for the number of months in the period in order to give an annual figure.

## Qualifying company

A company satisfying certain conditions under the VCT legislation. The conditions are detailed but include that the company must be unquoted (companies listed on AIM can qualify), have a permanent establishment in the UK, apply the money raised for the purposes of growth and development for a qualifying trade within a certain time period and not be controlled by another company. There are additional restrictions relating to the size and stage of the company to focus investment into earlier-stage businesses, as well as maximum investment limits (certain of such restrictions and limits being more flexible for "knowledge intensive" companies). VCT funds cannot be used by a Qualifying Company to acquire shares in another company or a trade.

## Qualifying investment

An investment which consists of shares or securities first issued to the VCT (and held by it ever since) by a Qualifying Company and satisfying certain conditions under the VCT legislation.

## Manager

Foresight Group LLP, the investment manager, administrator and Company secretary to the Company, which is authorised and regulated by the FCA.

# Financial Conduct Authority

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000.



## Beware of share fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams.

They may offer to sell you shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

## How to avoid share fraud

- Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- Check the Financial Services Register from [www.fca.org.uk](http://www.fca.org.uk) to see if the person and firm contacting you is authorised by the FCA.
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the Register if you want to call it back.
- Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- Search the list of unauthorised firms to avoid at [www.fca.org.uk/scams](http://www.fca.org.uk/scams).
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money.
- **Remember:** if it sounds too good to be true, it probably is!

## Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at [www.fca.org.uk/scams](http://www.fca.org.uk/scams), where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

In association with





# Corporate Information

## Company number

03506579

## Directors

Raymond Abbott (Chair)

Gaynor Coley

Michael Gray

Kavita Patel (appointed 1 September 2023)

Simon Jamieson (retired 8 June 2023)

## Company Secretary

**Foresight Group LLP**

The Shard

32 London Bridge Street

London

SE1 9SG

## Manager

**Foresight Group LLP**

The Shard

32 London Bridge Street

London

SE1 9SG

## Auditor

**Deloitte LLP**

20 Castle Terrace

Edinburgh

EH1 2DB

## Solicitors and VCT status advisers

**Shakespeare Martineau LLP**

No. 1 Colmore Square

Birmingham

B4 6AA

and

60 Gracechurch Street

London

EC3V 0HR

## Registrar

**Computershare Investor Services plc**

The Pavilions

Bridgwater Road

Bristol

BS99 6ZZ

## Market maker

**Panmure Gordon & Co**

One New Change

London

EC4M 9AF

# Additional Information

## Privacy policy

We respect your privacy and are committed to protecting your personal data. If you would like to find out more about the measures the Company and the Manager take in processing your personal information, please refer to the privacy policy, which can be found at [www.foresightgroup.eu/privacy-policy](http://www.foresightgroup.eu/privacy-policy).



## Share buyback dates

Share buybacks are timed to avoid the Company'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

## Trading shares

The Company's shares are listed on the London Stock Exchange. Share price information is available on Foresight Group LLP's website and can also be obtained from many financial websites.

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

**You can contact Panmure Gordon by phone on 0207 886 2716 or 0207 886 2717**

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

Please contact the Manager if you or your adviser have any questions about this process.

## Important information

Foresight Enterprise VCT plc currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in a VCT.

Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility increases the risk to the value of, and the income from, the investment.

# Shareholder Information

Foresight Enterprise VCT plc is a Venture Capital Trust aiming to provide investors with attractive returns from a portfolio of investments in fast-growing, unquoted UK companies.

For details on the Company's investment policy please refer to the Strategic Report in the 2022 Annual Report.

[www.foresightenterprisevct.com](http://www.foresightenterprisevct.com)

## Enquiries

The Board and the Manager are always keen to hear from investors. If you have any feedback about the service you receive or any queries relating to Foresight Enterprise VCT plc, please contact the Investor Relations team:

**020 3667 8181**  
**[InvestorRelations@foresightgroup.eu](mailto:InvestorRelations@foresightgroup.eu)**  
**[www.foresightenterprisevct.com](http://www.foresightenterprisevct.com)**

Annual and Half-Yearly Reports, as well as quarterly factsheets and information on new investments, can be viewed online.

As part of the Manager's investor communications policy, investor forums are held throughout the year. Shareholders can also arrange a mutually convenient time to meet the Manager's investment team. Please contact Investor Relations if you are interested.

## Dividends

All cash dividends will be credited to your nominated bank/building society account. Your options are:

- Receive your dividends in sterling via direct credit to a UK domiciled bank account
- Reinvest your dividends for additional shares in the Company through our dividend reinvestment scheme

## Key dates

Annual results to 31 December 2023	April 2024
Annual General Meeting	June 2024
Interim results to 30 June 2024	September 2024

## [www.investorcentre.co.uk](http://www.investorcentre.co.uk)

Investors can manage their shareholding online using Investor Centre, Computershare's secure website.

Shareholders just require their Shareholder Reference Number ("SRN"), which can be found on any communications previously received from Computershare, to access the following:

**Holding enquiry** Balances | Values history | Payments | Reinvestments

**Payments enquiry** Dividends | Other payment types

**Address change** Change registered address to which all communications are sent

**Bank details update** Please ensure bank details are up to date in order to receive your dividends

**Outstanding payments** Reissue payments using our online replacement service

**Downloadable forms** Dividend mandates | Stock transfer | Dividend reinvestment | Change of address

**Alternatively, you can contact Computershare by phone on 0370 703 6388**



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# Foresight

FOR A SMARTER FUTURE

Foresight Enterprise VCT plc

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