Foresight

FOR A SMARTER FUTURE

FORESIGHT SOLAR & TECHNOLOGY VCT plc

ANNUAL REPORT AND ACCOUNTS

31 MARCH 2022

Shareholder Information

Foresight Solar & Technology VCT plc is managed by Foresight Group LLP which is regulated by the Financial Conduct Authority. 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 may increase the risk to the value of, and the income from, the investment.

As part of our investor communications policy, shareholders can arrange a mutually convenient time to speak to the Company's investment management team at Foresight Group. If you are interested, please call Foresight Group (see details below).

Contact us

Foresight Group is always keen to hear from investors. If you have any feedback about the service you receive or any queries, please contact the Investor Relations team:

Telephone: 020 3667 8181
Email: InvestorRelations@foresightgroup.eu
www.foresightgroup.eu

Key Dates

Annual General Meeting	27 September 2022
Interim results to 30 September 2022	December 2022
Annual results to 31 March 2023	July 2023

Dividends

The Board has made the decision that Foresight Solar & Technology VCT plc (the "Company") will no longer pay dividends by cheque. All future cash dividends will be credited to your nominated bank/building society account. If you are currently receiving dividends via cheque, a dividend mandate form will be sent to you. Please contact the Investor Relations team if you have any questions regarding this.

Share price

The Company's Ordinary Shares and Foresight Williams Technology Shares are listed on the London Stock Exchange. The mid-price of the Company's Ordinary Shares is given daily in the Financial Times in the Investment Companies section of the London Share Service. Share price information can also be obtained from many financial websites.

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 I Values History I Payments

Payments Enquiry Dividends I Other payment types

Address Change Change registered address to which all communications are sent

Bank Details Update Update your bank details to which dividend payments are made

Outstanding Payments Reissue payments using our online replacement service

Downloadable Forms Dividend mandates I Stock transfer I Change of address

Alternatively you can contact Computershare by phone on 0370 707 4017

Trading shares

The Company's Ordinary Shares and Foresight Williams Technology 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 Solar & Technology 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 their original purchase may lose any tax reliefs claimed. Investors who are in any doubt about selling their shares should consult their financial adviser.

Please call Foresight Group if you or your adviser have any questions about this process.

Contents

Highlights

Ordinary Shares
Total Net Assets
as at 31 March 2022

£37.1m

Ordinary Shares
Net Asset Value per share
as at 31 March 2022

107.3p

Foresight Williams Technology Shares
Total Net Assets
as at 31 March 2022

£16.6m

Foresight Williams Technology Shares
Net Asset Value per share
as at 31 March 2022

97.4p

Ordinary Shares Fund

- Net Asset Value per Ordinary Share at 31 March 2022 was 107.3p (31 March 2021: 68.9p).
- At 31 March 2022, the fund held positions in 11 UK solar assets, with a total installed capacity of 69.7MW.
- As communicated in December 2021, the Board and the Investment Manager are in the process of realising the Solar portfolio with the objective to return value to all Ordinary shareholders.

Foresight Williams Technology Shares Fund

- During the year, under the Offers for subscription for the Foresight Williams Technology Shares fund (the "FWT Shares fund"), dated 30 December 2020 and 5 January 2022, £6.8m of new funds were raised.
- During the year, the fund invested in eleven new portfolio companies as well as executed a follow on investment into one existing portfolio company.
- Since the end of the reporting period, a further £1.7m has been raised, bringing the total funds raised to £18.8m.
- Since the end of the reporting period, a further nine investments have been made, bringing total deployment to £13.1m.

Key Metrics

	31 March 2022		31 March 2021	
	Ordinary Shares	FWT Shares	Ordinary Shares	FWT Shares
Total net assets	£37.1m	£16.6m	£24.2m	£9.8m
Net asset value per share	107.3p	97.4p	68.9p	98.0p
Net asset value total return^	153.3p	97.4p	114.9p	98.0p
Share price	75.0p	100.0p	68.5p	100.0p
Share price total return^	121.0p	100.0p	114.5p	100.0p
Dividends paid in the year	—	—	2.0p	—
Dividend yield^	—	—	2.9%	—
Shares in issue	34,593,623	17,058,716	35,109,032	10,021,408
Share price premium/(discount) to NAV^	(30.1%)	2.7%	(0.6%)	2.0%
Average discount on buybacks^	2.0%	n/a	2.0%	n/a
Shares bought back during the year under review	515,409	—	351,929	—
Ongoing charges ratio (Company)^	2.5%		3.1%	

Highlights

Ordinary Shares NAV Total Return (%)	1 year	3 years	5 years
Ordinary Shares NAV Total Return as at 31 March 2022^	55.7%	19.6%	22.1%

^Definitions of the Alternative Performance Measures (APMs) can be found in the Glossary on page 96 and the Strategic Report on page 36.

Ordinary Shares Dividends Paid and NAV Total Return

Dividend History

Ordinary Shares	
Date	Dividend per share
25 September 2020	2.0p
22 November 2019	3.0p
26 April 2019	3.0p
23 November 2018	3.0p
27 April 2018	3.0p
24 November 2017	3.0p
7 April 2017	3.0p
18 November 2016	3.0p
8 April 2016	3.0p
13 November 2015	3.0p
10 April 2015	3.0p
14 November 2014	3.0p
4 April 2014	3.0p
25 October 2013	3.0p
12 April 2013	2.5p
31 October 2012	2.5p
Cumulative	46.0p

Former C Shares*	
Date	Dividend per share
27 April 2018	2.5p
24 November 2017	2.5p
7 April 2017	2.5p
18 November 2016	2.5p
8 April 2016	2.5p
13 November 2015	2.5p
10 April 2015	2.5p
14 November 2014	2.5p
Cumulative	20.0p

*C Shares were in existence prior to the merging with the Ordinary Shares on 29 June 2018.

Chairman's Statement

Ernie Richardson

Chairman of Foresight Solar & Technology VCT plc

On behalf of the Board, I am pleased to present the Annual Report and Accounts for Foresight Solar & Technology VCT Plc for the year ended 31 March 2022 and to provide you with an update on the developments affecting the Company.

As with previous recent publications, my introduction to the Annual Report and Accounts will be split between the two share classes, the Ordinary Shares and the FWT Shares, with a general section for the Company as a whole at the end.

ORDINARY SHARES

Performance and portfolio activity

The Ordinary Shares fund performed strongly during the year benefitting from robust asset availability, rising power prices throughout the period, increased short-term forward power prices and above budget inflation. This resulted in a Net Asset Value total return increase for the year of 33.4% and earnings per share of 38.3p, representing excellent financial performance well ahead of base case.

As pandemic restrictions around the world eased, industrial and commercial activity ramped up, leading to increased demand for electricity. Power prices, already at pre-pandemic high levels at the start of 2021, continued to rise during the year resulting in record high wholesale energy prices in the UK and western Europe. This was predominantly driven by the reduced supply of natural gas, coupled with low reserves, higher pent-up demand and low wind levels in northern Europe during the summer months.

The Russian invasion of Ukraine in February 2022 further pushed wholesale energy prices higher resulting in a further increase in the valuation of the underlying assets.

The Company remained well protected from downside risk in the electricity markets during the pandemic as it secured a high proportion of its revenues through advanced fixed price agreements. The Company actively seeks to maintain an element of its revenues with exposure to merchant power prices, thereby keeping some generation unhedged, a decision which proved beneficial given rising energy prices. The Company further capitalised on the current power price environment by increasing the level of future fixed rate power price agreements at prices significantly above forecasts.

There were no new acquisitions in the UK portfolio during the year. As reported in the Interim Report to 30 September 2021, the Board and the Investment Manager commenced the process of realising the solar assets towards the end of 2021 with the objective to return value to all Ordinary Shareholders. At the time of writing, the process remains ongoing with interest from several parties, and is expected to conclude in the coming months. With the recovery in long term power prices and the buoyant energy market in general, the Board is confident this remains an optimal time to conduct such a process and maximise shareholder value.

As reported in previous reports, following the Company's long running arbitration case with the Spanish Government with respect to retrospective changes to feed-in-tariffs on its previously held Spanish assets and the subsequent award of the claim (equivalent to £2m-£2.5m, or 5.8-7.2p per Ordinary Share), the Company continues to follow up this claim in the courts. As such, the Board has not assigned any current value to the claim in the net asset value reported. In the context of the wider portfolio realisation and resulting return of proceeds to shareholders, in the event that proceeds are recovered from this claim, the Board are considering methods to return this to shareholders.

The overall performance of the Ordinary Shares remains robust and the total return since inception as at 31 March 2022 was 153.3p per Ordinary Share.

Cash and working capital

The Ordinary Shares had cash and liquid resources of £0.1m at 31 March 2022 (excluding cash held in portfolio companies who have the ability to repay interest and dividends when required).

The Company receives regular interest and loan stock payments and dividends from its underlying investments enabling it to continue to fund its dividend policy as well as meeting expenses in the ordinary course of business as they fall due.

Management fees

The annual management fee of the Ordinary Shares fund is calculated as 1.5% of Net Assets and equated to £427,000 during the year.

In the context of realisations achieved during the fund's life and the continuing professional management of the portfolio, the Board believe that the annual management fee represents good value for investors.

Green Economy Mark

The Board is pleased that the Company continues to be classified as a Green Economy Issuer by the London Stock Exchange ("LSE"). This is an initiative launched by the LSE supporting sustainable finance on its markets. The Green Economy Mark recognises listed companies with 50% or more of revenues from environmental solutions.

FWT SHARES

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

The share class provides investors with the opportunity to invest in a portfolio of early-stage companies with high growth-potential, developing innovative and occasionally transformational technologies across a range of different sectors. It builds on the successful relationship that Foresight and WAE have enjoyed from their launch of the Foresight Williams Technology EIS Fund (the 'EIS fund') in November 2016, which has raised over £50 million to date and has made over thirty investments across a range of different sectors so far, and recently completed its first exit achieving a gross return of over 16x.

Fundraising and share issues

The Offers for subscription, dated 30 December 2020 and relaunched on 5 January 2022, are each up to £20 million (with an overallotment facility for up to an additional £10 million) through the issue of FWT Shares. During the year, across both Offers, 7.0 million FWT Shares were allotted, raising a further £6.8m, bringing the total funds raised to over £17m.

Post year end, a further 1.7 million FWT Shares were allotted, increasing the total funds raised to £18.8m.

Portfolio and deal activity

The FWT Shares fund had a busy year deploying the funds raised, completing eleven new investments and one follow-on investment costing £6.3m and £0.8m respectively.

Post year end, the FWT Shares made investments in seven new companies and two follow on investments, bringing total deployment to £13.1m. Further details of these deals are included in the Investment Manager's review.

The Board and the Investment Manager are confident that a number of new and follow-on investments can be achieved this year, particularly with the investment activity noted above. Details of each of these new and existing portfolio companies can be found in the Investment Manager's Review. The Investment Manager continues to see a strong pipeline of potential investments sourced through its regional networks and well developed relationships with advisers and the SME community; however, it is also focused on supporting the existing portfolio through the pandemic. Following the fundraising over the last couple of years as well as the fundraising for the ongoing January 2022 offer, the Company is in a position to fully support the portfolio, where appropriate, and exploit potential attractive investment opportunities.

Management fees

The annual management fee of the FWT Shares fund is calculated as 2.0% of Net Assets and equated to £265,000 during the year.

COMPANY

Annual General Meeting

The Company's Annual General Meeting will take place on 27 September 2022 at 12.30pm and we look forward to

Chairman's Statement

meeting as many of you as possible in person, providing rules permit. Please refer to the formal notice on pages 92 to 95 for further details. We would encourage those of you who are unable to attend to submit your votes by proxy ahead of the deadline of 1.00pm on 23 September 2022 and to forward any questions by email to **InvestorRelations@foresightgroup.eu** in advance of the meeting.

Outlook

The Board continue to monitor the events unfolding in Ukraine and the impact on the Ordinary Shares portfolio while continuing to optimise the assets ahead of the proposed realisation and return of funds to Ordinary Shareholders.

The Company will also continue to raise new funds in the FWT Shares fund and seek appropriate qualifying investments for this share class.

Ernie Richardson
Chairman
17 August 2022

Investment Manager's Review

Portfolio summary and performance

Over the past year, the Investment Manager has focused on delivering positive operational performance from the assets within the portfolio while preparing the portfolio for sale. The portfolio performed well with production above budget aided by high levels of solar irradiation which was 4.1% above forecast for the year.

The assets in the portfolio achieved a strong performance during the year despite short production outages occurring at several sites due to grid outages which particularly affected the largest site in the portfolio, Turweston.

Unavailability due to technical issues related to the parks themselves were few as expected in such a mature portfolio. Further details on performance of the individual assets are included on pages 12 to 17. The operation of the assets throughout the year continued to be largely unaffected by issues arising from the COVID-19 pandemic.

There were no acquisitions or disposals of sites during the year.

Market update

Power Prices

The rebound in economic activity early in the year saw power prices return to pre-pandemic levels through spring and summer 2021. Global gas prices continued to rise throughout autumn causing power prices to rise across much of the world. In the UK, this coincided with an unusually large amount of generating capacity offline after summer and the lowest wind resource seen for many years throughout winter. The combined effect of these factors saw record power prices in the UK during the second half of the year – price levels that have only slightly ebbed at the time of writing due to continued tightness in gas supply exacerbated by the war in Ukraine.

Inflation

Aside from power prices, general measures of inflation rose to levels not seen for decades. One such measure, the Retail Price Index ("RPI"), is used to escalate the base price for ROCs, the green certificates that the projects in this portfolio benefit from. This inflation, and expectations of it continuing for at least a short period, have had a positive effect on the valuation of the portfolio's assets.

Green Investment

Governments in the UK and across Europe continue to remain supportive of the renewables sector, such support growing in the wake of the pandemic and moreso following the commencement of the war in Ukraine. While this fund cannot invest further into new solar parks, such strong messaging from governments does appear to steer more capital towards investing in renewables and hence be supportive of valuations for existing asset portfolios.

Revenues

Revenues within the portfolio exceeded forecast by 40% during the year. This was primarily driven by high power prices on top of strong operating performance. The fund had a portion of power prices fixed for the year with some exposure left to market power prices.

Approximately half of revenue from the portfolio's investments came from subsidies (predominantly under the ROC scheme) and other green benefits. These revenues are directly and explicitly linked to inflation for 20 years from the accreditation date under the ROC regime and subject to RPI inflationary increases applied by Ofgem in April of each year. Thus the extraordinary increases in RPI during the year did not affect the ROC revenues achieved in the year but have increased the ROC price currently being received and that which will be applicable for the remainder of the life of the ROC regime.

The average power price achieved during the year was £96.84 per MWh, representing the highest power prices ever seen in the UK. The average monthly price peaked in March 2022 at £156.93 per MWh.

There remains volatility and uncertainty about market factors affecting power prices in the short to medium term. The Investment Manager continues to monitor these to seek the best opportunities to enter into short term price fixing arrangements when they arise. A majority of the portfolio's power output is contracted at fixed power prices for the year ahead at levels more than double those of previous years. A combination of these prices and the high level of RPI ensured substantially higher than forecast revenues for the year ahead.

Valuation

Market valuations for solar parks are typically based on assessments of future cashflow generation over the life of the projects. Rising inflation and rising power price forecasts have been very supportive of higher market valuations for the fund's assets. Increased investor appetite for the assets has also had a positive impact on valuations.

These factors as well as strong operating performance and cash generation have led to rising valuations for the Ordinary Shares fund overall.

Portfolio Sale

In keeping with the intentions set out over the two years since the last tender offer, the portfolio is being prepared for sale. Given the strong growth in asset value, the Board and the Investment Manager considers that 2022 remains an optimum time to pursue a sale of this mature portfolio.

A sale process was commenced earlier this year and is ongoing with interest from several parties. It is anticipated that a sale will be concluded by September 2022 and the proceeds returned to investors shortly thereafter.

Sustainable Investing

Sustainability lies at the heart of the Manager's approach, and the Manager believes that investing responsibly, seeking to make a positive social and environmental impact, is critical to its long-term success. These factors have been integrated into its investment and asset management processes. Foresight continues to refine its evaluation of the sustainability considerations of all of its investments so as to demonstrate more comprehensively the environmental benefits and social contribution of all assets managed by Foresight, including this solar portfolio.

Land Management

Compliance audits have been carried out on all UK sites held by portfolio companies, confirming that they are in line with government permits and conditions. Foresight Group remains a working partner of the Solar Trade Association's Large Scale Asset Management Working Group. Foresight is a signatory to the Solar Farm Land Management Charter and seeks to ensure that the solar farms operated by all of our portfolio companies are managed in a manner that maximises the agricultural, landscaping, biodiversity and wildlife potential, which can also contribute to lowering maintenance costs and enhancing security.
As such, Foresight Group regularly inspects sites and advises portfolio companies to develop site specific land management and biodiversity enhancement plans to secure long term gains for wildlife and ensure that the land and environment are maintained to a high standard. This includes:

- Management of grassland areas within the security fencing to promote wildflower meadows and sustainable sheep grazing
- Planting and management of hedgerows and associated hedge banks
- Management of field boundaries between security fencing and hedgerows
- Sustainable land drainage and pond restoration
- Installation of insect hotels and reptile hibernacula
- Installation of boxes for bats, owls and kestrels
- Installation of beehives by local beekeepers.

Most solar parks are designed to enable sheep grazing and the remaining plants are investigated for alterations to ensure that the farmland on which the solar assets are located can remain useful in agricultural production, which is a frequent desire of local communities.

Examples of sustainable land management activities across the portfolio include:

- Free-range chickens grazing at the New Kaine site
- The grounds of Turweston continue to be managed as wildflower meadow
- Beehives are on site at Turweston
- Bird and bat boxes have been installed at Basin Bridge
- At Turweston additional gates with sufficient gaps at the lower edge were installed to allow for safe wildlife passage across the site
- Trees and hedgerows have been planted, and hedge infill work undertaken at Dove View and Hurcott.

Investment Manager's Review

Social and Community Engagement

Foresight Group actively seeks to engage with the local communities around the solar assets operated by our portfolio companies and regularly attends parish meetings to encourage community engagement and promote the benefits of their solar assets.

Health and Safety

Health and safety audits have been carried out at all assets during the period and there have been no reportable or material health and safety incidents.

Safety, Health, Environment and Quality ("SHEQ") performance and risk management are a top priority at all levels for Foresight Group. To further improve the management of SHEQ risks, reinforce best practice and ensure non-compliance with regulations is avoided, Foresight Group continues to work with independent health and safety consultants who regularly visit the assets operated by our portfolio companies to ensure they not only meet, but exceed, industry and legal standards. The consultants have confirmed that all sites are compliant with applicable regulations.

Outlook

It has been another positive year for the Ordinary Shares fund with strong performance from the assets and, combined with supportive external factors, this has led to rising valuations for the portfolio. The outlook continues to be cautiously optimistic that recent valuation increases can be maintained. Power prices remain at elevated levels and the macro drivers to this do not appear to be dissipating at the time of writing. With interest rates rising there is a likelihood of declining economic growth and for inflation to return to more usual levels. Our valuations assume that inflation is swiftly brought under control and that power prices remain high in the near term. On balance however, given the tenure of this fund, it remains appropriate to pursue a sales process. In the meantime, the Company will continue to focus on delivering strong operational performance across the portfolio.

Foresight Group LLP
Investment Manager
17 August 2022

ORDINARY SHARES

Investment Manager's Review

Portfolio Overview

Laurel Hill Solar Farm, County Down

14.2 MW

Investment date September 2017

The portfolio company trading on the site performed above the expected level of production due to high irradiance levels. The site's availability during the period was mainly affected by remedial works on the inverter stations which took place in March.

	31 March 2022
Voting rights in the relevant portfolio companies	49%
Valuation	£9,083,704

	Year ended 31 March 2022
Income	£3,353,753
EBITDA	£874,963
Net liabilities	(£2,646,532)

Turweston Solar Farm, Northamptonshire

16.4 MW

Investment date December 2014

The portfolio company trading on the site performed below the expected level of production due to poor availability of the plant despite high irradiance levels. The site's availability was below expectations during the period due to a total of 17 days of planned DNO outages.

	31 March 2022
Voting rights in the relevant portfolio companies	49%
Valuation	£8,219,834

	Year ended 31 March 2022
Income	£2,303,021
EBITDA	£358,358
Net liabilities	(£2,337,942)

Hurcott Solar Farm, Somerset

10.0 MW

Investment date November 2018

The portfolio company trading on the site performed above the expected level of production due to high irradiance levels. The site's availability during the period was below expected levels due to a total of nine days of planned DNO outages.

	31 March 2022
Voting rights in the relevant portfolio company	49%
Valuation	£4,926,215

	Year ended 31 March 2022
Income	£2,611,273
EBITDA	£418,985
Net liabilities	(£8,670,048)

Saron Solar Farm, Carmarthenshire

6.3 MW

Investment date March 2015

The portfolio company trading on the site performed below the expected level of production due to availability of the plant being below expected levels despite high irradiance levels. The site's availability during the period was affected by two planned DNO outages in October and November.

	31 March 2022
Voting rights in the relevant portfolio company	49%
Valuation	£3,573,363

	Year ended 31 March 2022
Income	£1,214,766
EBITDA	£1,040,709
Net liabilities	(£996,127)

Investment Manager's Review

Marchington Solar Farm, Staffordshire

5.0 MW

Investment date July 2016

The portfolio company trading on the site performed above the expected level of production which was mainly due to high irradiance levels. The site's availability during the period was affected by a total of 14 days of DNO outages between October and February.

	31 March 2022
Voting rights in the relevant portfolio company	49%
Valuation	£3,046,429

	Year ended 31 March 2022
Income	£931,873
EBITDA	£915,439
Net assets	£5,672

Dove View Solar Farm, Staffordshire

4.5 MW

Investment date August 2018

The portfolio company trading on the site performed above the expected level of production due to the good availability of the plant and high irradiance levels.

	31 March 2022
Voting rights in the relevant portfolio company	49%
Valuation	£2,494,520

	Year ended 31 March 2022
Income	£904,612
EBITDA	£771,018
Net liabilities	(£582,588)

Basin Bridge Solar Farm, Leicestershire

5.0 MW

Investment date August 2018

The portfolio company trading on the site performed slightly above the expected level of production due to the good availability of the plant and high irradiance levels.

	31 March 2022
Voting rights in the relevant portfolio company	49%
Valuation	£2,043,441

	Year ended 31 March 2022
Income	£706,859
EBITDA	£606,352
Net liabilities	(£715,983)

Beech Farm Solar, Staffordshire

4.3 MW

Investment date August 2018

The portfolio company trading on the site performed below the expected level of production despite the good availability of the plant and high irradiance levels. The site's performance ratio during the period was impacted by inverter faults and the underperformance of the modules during summer months.

	31 March 2022
Voting rights in the relevant portfolio company	49%
Valuation	£1,523,346

	Year ended 31 March 2022
Income	£495,958
EBITDA	£374,147
Net liabilities	(£741,912)

ORDINARY SHARES

Investment Manager's Review

Stables Solar Farm, Leicestershire

2.0 MW

Investment date August 2018

The portfolio company trading on the site performed slightly below the expected level of production due to availability of the plant that was below expected levels and despite high irradiance levels. The availability of the plant during the period was impacted by a four day unplanned DNO outage in February.

	31 March 2022
Voting rights in the relevant portfolio company	49%
Valuation	£853,782

	Year ended 31 March 2022
Income	£386,447
EBITDA	£318,921
Net liabilities	(£522,059)

New Kaine Solar Farm, Kent

1.9 MW

Investment date March 2015

The portfolio company trading on the site performed below the expected level of production despite high irradiance levels. The site's availability during the period was below expected levels which was mainly due to two site outages in February.

	31 March 2022
Voting rights in the relevant portfolio company	49%
Valuation	£665,058

	Year ended 31 March 2022
Income	£403,011
EBITDA	£324,519
Net liabilities	(£101,868)

Greenersite Solar Farm, Herefordshire

100 KW

Investment date March 2013

The portfolio company trading on the site performed below the expected level of production due to the poor availability of the plant despite high irradiance levels.

	31 March 2022
Voting rights in the relevant portfolio company	100%
Valuation	£333,856

	Year ended 31 March 2022
Income	£23,867
EBITDA	(£19,217)
Net liabilities	(£748,223)

Investment Manager's Review

Portfolio details as at 31 March 2022 were as follows:

		31 March 2022		31 March 2021
Name of asset	Date of investment	Valuation (£)	Valuation Methodology	Valuation (£)
Laurel Hill Solar Farm	September 2017	9,083,704	Discounted cashflow	3,400,875
Turweston Solar Farm	December 2014	8,219,834	Discounted cashflow	6,065,802
Hurcott Solar Farm	November 2018	4,926,215	Discounted cashflow	3,343,112
Saron Solar Farm	March 2015	3,573,363	Discounted cashflow	2,753,991
Marchington Solar Farm	July 2016	3,046,429	Discounted cashflow	1,450,482
Dove View Solar Farm	August 2018	2,494,520	Discounted cashflow	1,459,629
Basin Bridge Solar Farm	August 2018	2,043,441	Discounted cashflow	1,710,664
Beech Farm Solar	August 2018	1,523,346	Discounted cashflow	1,192,233
Stables Solar Farm	August 2018	853,782	Discounted cashflow	602,945
New Kaine Solar Farm	March 2015	665,058	Discounted cashflow	408,331
Greenersite Solar Farm	March 2013	333,856	Discounted cashflow	332,655
Subtotal		**36,763,548**		**22,720,719**
Other net assets held by the portfolio companies		270,832		1,189,854
Total		**37,034,380**		**23,910,573**

Portfolio companies will either trade on a solar site themselves or a wholly owned subsidiary will do so. The valuations above reflect the total value attributable to the Company's holding in these portfolio companies as at the relevant date, which is stated net of any existing borrowings made by that portfolio company or their subsidiary.

The portfolio companies, or their wholly owned subsidiaries, may borrow to fund acquisitions and may also employ proceeds from the disposal of assets.

Investing for a smarter future
for more than 35 years

Sustainable Infrastructure Foresight's Five criteria

£6.3BN sustainable infrastructure Assets under Management

3.1GW of renewable generation assets

Investment strategies that support sustainable economic and social development

1 Sustainable development contribution

- Good Health & Well-being
- Affordable & Clean Energy
- Industry, Innovation & Infrastructure
- Climate Action
- Life on Land
- Climate Change Resilience

2 Environmental footprint

- Biodiversity Management
- Resource & Feedstock Sustainability
- Water, Waste & Emissions Management
- Decommissioning

3 Social welfare

- Health & Safety
- Local Social Impact
- Local Economic Impact

4 Governance

- Legal, Employment & Human-Rights Compliance
- Management Structure & Board Composition

5 Third party interactions

- Reputational Risk
- Counterparty ESG Performance
- Supply Chain Sustainability

One of the first external fund managers appointed by the UK Green Investment Bank

Helped shape the Green Investment Handbook

Foresight Williams Technology Share class

Engineering and Technology Adviser

Williams Advanced Engineering (WAE) is a technology and engineering services business born out of the Williams Formula One Team in 2010. The company provides world class technical innovation, engineering, testing and manufacturing services to deliver energy efficient performance to customers. WAE's capabilities in new materials, electrification and battery technology, aerodynamics and thermodynamics, business performance and specialist low volume manufacturing apply across all sectors, including automotive and motorsport, aerospace and defence, energy and sports science, and healthcare.

Working in close collaboration with its customers and partners, WAE helps meet the sustainability and technology challenges of the 21st century and improve performance.

In March 2022, Fortescue Metals Group (FMG) completed its acquisition of WAE. WAE continues to service its existing customers and commercialise new technology opportunities, in addition to playing a key role in supporting Fortescue's decarbonisation strategy. WAE today employs 400 people engaged in many innovative and transformative technical areas for a growing list of clients.

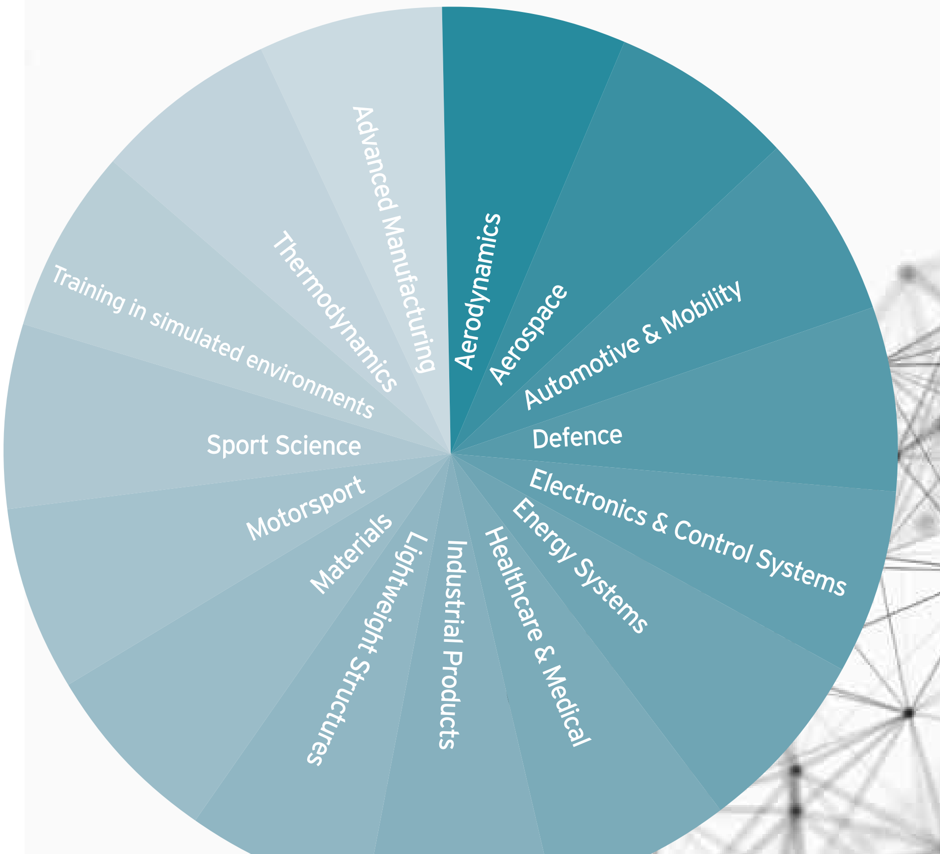
With its work across a range of industry sectors, WAE is well positioned to identify growing market opportunities and technologies. Through its reputation and commercial relationships, WAE also has access to an exciting pool of investment opportunities and several of the investments made through the FWT strategy to date have been sourced by WAE. Given this market insight and technical expertise, WAE can assist with technical due diligence on small to medium sized businesses ("SMEs") and provide services to support with the development of technologies and portfolio firms towards commercialisation.

The Williams name is synonymous with world class engineering, innovation and performance and investee companies can benefit from this association (subject to agreement with each investee company).

Sectors and competencies

> *The FWT Share class fits perfectly with our business model and allows us to take the learnings and technologies from Motor Sport and apply them to other industries.*

Craig Wilson
Managing Director, WAE



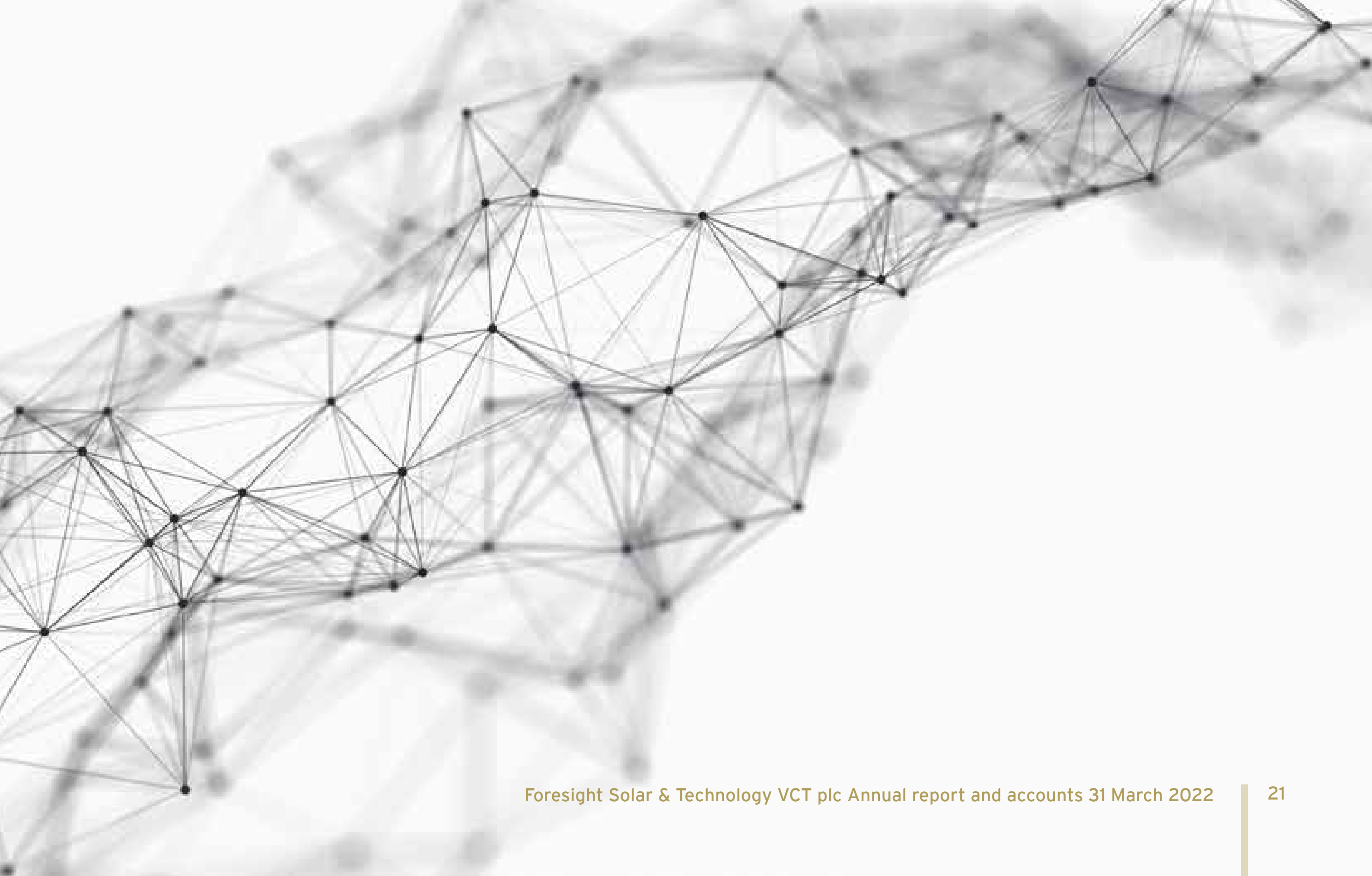
Technology and engineering innovation at its core

The core strategy of the Foresight Williams Technology share class is to focus on early stage companies with strong intellectual property, operating in attractive, substantial markets where Williams' technology, engineering, commercial and promotional added-value support and Foresight's financial and commercial skills may offer distinct advantages to investee companies. Rather than having a particular sector focus, the share class invests principally in early stage UK technology companies aligned to capabilities where WAE can add value. The Investment Manager will also consider co-investing with the Foresight Williams Technology EIS Fund, or other VCTs, family offices and/or university spin out funds. This is to provide additional investment for companies as well as spreading the risk in early stage investment.

Investors have access to a diverse technology base with innovation at its heart. With the combination of the technical, commercial and promotional experience of WAE alongside Foresight's investment expertise, experience of early-stage opportunities and nurturing of UK SMEs, portfolio companies will be offered dedicated support to accelerate their technologies towards commercialisation.

Foresight and WAE work with a wide range of organisations and advisers to identify and develop a strong pipeline of opportunities. This ensures a breadth of investments across different markets and technology areas that are aligned to the potential for WAE to add value, such as those listed to the right.

- **Aerodynamics and thermodynamics**
- **Battery systems and energy storage**
- **Composites, materials and nanomaterials**
- **Data analytics**
- **Electric machines and drives**
- **Electronics and control systems**
- **Lightweight structures**
- **Prototyping**
- **Systems integration**



Investment Manager's Review

Summary

Between its launch on 20 December 2019 and the end of the reporting period, the FWT Shares fund has raised £17.1 million. The Offer provides investors with the opportunity to invest in a portfolio of early-stage companies with high growth-potential, developing innovative and occasionally transformational technologies across a range of different sectors. As at 31 March 2022, the FWT fund had made 15 investments totalling £8.6 million:

Kognitiv Spark: a software company that provides 3D data to support field service workers in remote locations.

Additive Manufacturing Technologies (AMT): a manufacturer of systems that automate the postprocessing of 3D printed parts e.g. unpacking, surface smoothing, sealing and colouring.

VividQ: a technology company enabling the next generation of holographic displays.

Zero Point Motion: a developer of a chip-scale unit for ultra-precise motion-tracking and indoor navigation.

Refeyn: a University of Oxford spin-out developing a new generation of biomolecule analysis instrumentation based on weighing molecules using light, known as mass photometry.

Previsico: a University of Loughborough spin-out providing a market-leading flood forecasting and warning software platform.

Rovco: a sub-sea computer vision and robotics technology company focused on marine surveys in offshore wind and oil field decommissioning.

dRISK: an AI company accelerating the training of autonomous vehicles on how to avoid unexpected, real-world "edge case" or hazardous scenarios.

Cambridge GaN Devices: a developer of a new generation of gallium nitride semiconductor power devices.

Audioscenic: a University of Southampton spin-out applying computer vision software to create 3D immersive audio experiences initially in consumer soundbars.

Insphere: a provider of in-process measurement systems that speed up the calibration and enhance the accuracy of automated production lines.

Oxford Space Systems: a satellite component company developing stowable and deployable booms and antennas.

Forefront RF: a manufacturer of next generation RF modules, small electrical devices that transmit and/or receive radio signals between devices, reducing component size, cost and supply chain waste, and enabling geographically agnostic smartphones.

Machine Discovery: a University of Oxford spin-out developing machine learning technology that simplifies, automates and accelerates highly complex computer simulations.

Vector Photonics: a University of Glasgow spin-out commercialising the next generation of semiconductor laser devices.

Further information relating to each of these investments can be found on pages 26 to 33.

Post year end acquisitions

Subsequent to the year end, the FWT fund has made seven new investments described further below, and two follow on investments into Cambridge GaN Devices Limited and Forefront RF Limited. This brings total deployment to £13.1m.

Nebuflow

Nebuflow is developing surface acoustic wave nebulisers to enable the delivery of next-generation respiratory pharmaceuticals and improve the efficiency of well-established treatments. Nebulisers are used by patients with Cystic Fibrosis and Chronic Obstructive Pulmonary Disorder as they can deliver drugs directly into the patients' lungs. However, commercially available nebulisers are inefficient, bulky and unsuitable for use with the next generation of pharmaceuticals, which are already reaching clinics. Nebuflow's patented technology overcomes these issues providing a tightly controlled distribution of droplet sizes using a technique compatible with new pharmaceuticals based around RNA and antibodies, known as biologics. The nebuliser device housing is a critical element to be developed and WAE has expertise in computational fluid dynamic simulations, a skillset which will be required to optimise the housing design.

salvalco

Salvalco develops innovative valve systems, called Eco-Valve, based on prior research by the Spray Research Group at Salford University. The Eco-Valve technology allows eco-friendly inert gases such as nitrogen or simple fresh air to be used as propellants in aerosol sprays, thus enabling a more sustainable and safer alternative to conventional aerosol propellants.

Salvalco has subsequently developed a family of valves using this technology to pressurise the can without compromising user experience. The company has secured a significant investment from Beiersdorf, a leading provider of skincare products, including brands such as NIVEA, Eucerin and La Prairie and launched a new and eco-friendly NIVEA deodorant.

OPSYDIA

Opsydia has developed a laser-based technology that rapidly and accurately performs sub-surface marking of diamonds and other gemstones. As with many raw materials markets, the global gemstone market is under increasing pressure to provide greater transparency and full traceability. Opsydia's sub-surface inscription marks cannot be tampered with or removed without destroying the value of the stone, providing diamond producers with a robust and immutable method of connecting a physical stone with its certificate of origin, and offering high-end brands the means to differentiate their products. Opsydia's core technology, licensed from the University of Oxford, uses an optical system to pre-correct for the expected aberration of the laser that occurs when it passes through the surface of the diamond. The technology has now been commercialised and the company already sells the marking systems to several international diamond producers.

open bionics

Open Bionics is a designer and manufacturer of the world's first clinically approved 3D-printed bionic limbs with multi-grip functionality and empowering aesthetics. The company's core product is the Hero Arm, a life-changing myoelectric prosthesis for below-elbow amputee adults and children aged eight and above. Open Bionics' goal is to open the bionics market to a much wider audience by offering an affordable product made using the unique approach of 3D printing and digital scanning. The key enabling technology behind the company's prosthetics is its proprietary automation software that generates bespoke designs for bionic arm sockets and frames from a 3D scan of a user's remaining arm. It also tailors the designs to be 3D-printable, while maintaining socket comfort and functionality for the user, and allowing for personalised and aesthetically appealing designs.

MIRICO

Mirico is one of the top emerging climate tech companies in the PwC Future 50 report published earlier in the year. The company provides ultra-high sensitivity gas detection and quantification services in the most challenging weather conditions. Mirico's unique Laser Dispersion Spectroscopy technology for gas analysis is covered by six patents, five licensed from Rutherford Appleton Laboratory and one owned by Mirico. By providing reliable continuous monitoring of greenhouse gas emissions across a range of industries and applications globally, Mirico addresses the significant increase in the need for organisations to demonstrate progress towards net zero goals and accelerate the uptake and efficiency of climate change monitoring.

Novosound is a technology spinout from the University of West of Scotland that has developed a novel technology for use in ultrasound sensors. The Company designs and manufactures a thin-film core material that is flexible, extreme temperature resistant, lightweight, low profile, compact, and capable of producing high resolution images. Novosound's ultrasound solutions are used in a variety of applications in industrial, medical, dental, and veterinary industry settings.

Living Optics is a University of Oxford spin-out commercialising next generation hyperspectral imaging technology. The company's hyperspectral camera system promises to capture higher resolution images, faster, at lower cost and in a more compact form factor than incumbent camera systems. The technology is attracting strong interest from potential customers in defence and industrial applications and prototypes cameras have been successfully deployed in paid trials.

Fundraising

The Offer, made possible through an innovative collaboration between Foresight Group and Williams Advanced Engineering Ltd, continues to build positive momentum in the market. Since the end of the year to 31 March 2022, a further £1.7 million has been raised, bringing the total raised to £3.5 million in the current fund raising round and £18.8 million overall.

Climate Change Statement

The Investment Manager has a long-term investing vision and its strategy aligns with the UN's Sustainable Development Goals and the decarbonisation targets set out in the Paris Agreement of 2015. As such, taking actions to mitigate the risks posed by climate change, whilst also investing to generate commercial returns for our investors, must be done hand in hand. The Manager has been a signatory to the United Nations-backed Principles for Responsible Investment ("PRI") since 2013. PRI is a globally recognised voluntary framework concerned with the incorporation of ESG considerations into the investment decision-making process. It provides a basis for potential and existing investors to judge the quality of a company's ESG processes and positioning within an industry sector. In 2020, the Manager received an "A+" for Strategy and Governance, and "A" for Private Equity and Infrastructure investments.

The Board supports the Manager's views on climate change and ESG and its vigorous process in the evaluation of an asset's environmental and social impact during due diligence and thereafter. For each material risk identified during due diligence, a mitigation plan is proposed in the investment submission and these actions form part of each portfolio company's "100-day plan" post-investment.

From an environmental perspective, analysis relating to the implementation of good industry practice in limiting and mitigating the potentially adverse environmental impact of a company's operations has four principal components:

- Environmental policy and track record
- Energy and resource usage and environmental impact
- Environmental impact of products and services
- Environmental performance improvements

Regular monitoring post-investment ensures that standards are maintained in respect of ESG issues where there is a change in either the regulatory or operating environment or the composition of the management team.

Pipeline

The Investment Manager has a strong pipeline covering new deals and EIS portfolio follow-ons. At the time of writing, three deals had passed the Investment Manager's final Investment Committee stage and were nearing completion. On three further deals, terms and exclusivity had been agreed and, subject to Investment Committee approval, were progressing to due diligence.

Foresight Group LLP
Investment Manager
17 August 2022

Investment Manager's Review

Foresight Williams Technology Fund Portfolio Overview

		31 March 2022			31 March 2021	
Name of Asset	Date of investment	Accounting Cost (£)	Valuation (£)	Valuation Methodology	Accounting Cost (£)	Valuation (£)
Kognitiv Spark Inc	February 2022	1,255,579	1,314,398	Price of last funding round	–	–
Additive Manufacturing Technologies Limited	October 2020	1,200,001	1,245,109	Price of last funding round	360,000	360,000
VividQ Limited	May 2021	1,068,697	1,068,697	Price of last funding round	–	–
Zero Point Motion Limited	November 2021	813,750	813,750	Price of last funding round	–	–
Refeyn Limited	November 2020	360,000	807,159	Price of last funding round	360,000	360,000
Previsico Limited	August 2021	647,993	647,993	VC method	–	–
Rovco Limited	March 2022	565,387	565,387	Price of last funding round	–	–
dRISK Inc	March 2022	530,597	530,480	Price of last funding round	–	–
Cambridge GaN Devices Limited	January 2021	360,807	422,688	VC method	360,807	360,807
Audioscenic Limited	October 2020	359,995	389,901	VC method	359,995	359,995
Insphere Limited	April 2021	334,421	334,421	VC method	–	–
Oxford Space Systems Limited	February 2022	323,413	323,413	Price of last funding round	–	–
Forefront RF Limited	August 2021	270,461	270,461	Price of last funding round	–	–
Machine Discovery Limited	April 2021	236,251	236,251	Price of last funding round	–	–
Vector Photonics Limited	April 2021	224,995	224,995	Price of last funding round	–	–
Total		**8,552,347**	**9,195,103**		**1,440,802**	**1,440,802**

Kognitiv Spark Inc
www.kognitivspark.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
February 2022	£1,255,579	£1,314,398	£58,819	6.1%

Kognitiv Spark is commercialising software that provides 3D data to support field service workers in remote locations. The company's product offers three significant advantages over the competition: it is the only commercially available solution that allows the real-time sharing of 3D data sets, it can maintain a stable video connection even in low bandwidth environments; and it offers defence-grade security.

The FWT Fund invested £1,255,579 into Kognitiv Spark in February 2022 as part of a £4.5m funding round alongside existing investors and Foresight Williams EIS.

Funds will be used to enable further product development and sales expansion in the US, UK and Europe.

Foresight Williams Technology Fund Portfolio Summary (continued)

Additive Manufacturing Technologies Limited
www.amtechnologies.co.uk

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
October 2020	£1,200,001	£1,245,109	£45,108	3.4%

AMT is developing machines for post-processing of 3D printed parts; removal of excess polymer (depowdering), surface smoothing/polishing, colouring (if required) and inspection. AMT's goal is to provide a fully automated end-to-end solution with robots linking each stage.

The FWT Fund invested £360,000 into AMT in October 2020 as part of a £2.5m funding round alongside Foresight Williams EIS and the UK Government's Future Fund scheme. The FWT fund invested a further £840,001 into AMT in June 2021 as part of a £9.0m funding round alongside Foresight VCTs, Foresight Williams EIS Fund, Saint Gobain's venture arm and Japanese VC 15th Rock.

The company overcame supply chain shocks in Q3 2021 to deliver a new product range of surface finishing machines. The business signed its first two orders for its automated end-to-end DMS solution, and grew orders and revenue significantly compared to the previous period. AMT is building its reputation as the leader in the 3D printed part post-processing space and is well positioned to continue growing strongly.

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VividQ Limited
www.vivid-q.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
May 2021	£1,068,697	£1,068,697	—	3.4%

VividQ is enabling the next generation of holographic displays by developing proprietary algorithms which significantly reduce the computing power required to generate a holographic image. The company is working to embed its technology into Automotive Head Up Displays ("HUDs"), smart glasses and display screens.

The FWT Fund invested £1,068,697 into VividQ Limited in May 2021 as part of a £9.0m funding round alongside Sure Valley Ventures, UTEC, UTokyo IPC, Miyako Capital and Foresight Williams EIS.

VividQ has got off to a good start since the FWT Fund's investment. The company now has four live revenue generating projects working on HUD systems and holographic display screens. The company also has a further three projects in the HUD sector that are not currently revenue generating. This is supported by a strong pipeline of commercial opportunities.

Investment Manager's Review

Foresight Williams Technology Fund Portfolio Summary (continued)

Zero Point Motion Limited
www.zeropointmotion.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
November 2021	£813,750	£813,750	–	12.6%

Zero Point Motion is a semiconductor start-up which is developing a cheaper and more efficient chip-scale Inertial Measurement Unit for ultraprecise motion-tracking and indoor navigation in commercial applications.

The FWT Fund invested £813,750 into Zero Point Motion Limited in November 2021 as part of a £2.5m funding round alongside u-blox, Verve Ventures and Foresight Williams EIS.

The company aims to have prototypes ready for testing by potential customers during 2022, with first commercial sales commencing in 2024. The company is making progress towards delivering its first prototypes and is developing in line with the plan.

Refeyn Limited
www.refeyn.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
November 2020	£360,000	£807,159	£447,159	0.6%

Refeyn is commercialising a new generation of scientific instrumentation for the detection, imaging and accurate mass determination of single biomolecules in solution using light scattering. Its instrumentation is significantly faster, easier to use and lower cost than other existing high accuracy techniques. The company was spun out from the Chemistry Department at the University of Oxford in early 2018.

The FWT Fund invested £360,000 into Refeyn in November 2020 in a round led by new investor Northpond Ventures, a US-based $500m life-sciences focused fund, alongside Oxford Sciences Innovation ("OSI") and the University of Oxford, as well as Foresight Williams EIS. At the end of the period, the shareholders led by Northpond Ventures had agreed to complete a further funding at a significant uplift to the 2020 round.

The company continues to grow strongly and new products have been well received by the market. These include, the TwoMP, the next generation of the flagship mass photometer OneMP product; the SamuxMP, a specialist version of the TwoMP tuned for the adeno-associated virus analysis market; and the AutoMP, an industrial version of the TwoMP that offers rapid measurement of multiple samples.

Foresight Williams Technology Fund Portfolio Summary (continued)

Previsico Limited
www.previsico.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
August 2021	£647,993	£647,993	—	11.3%

Previsico was spun-out of Loughborough University in 2019 following an approach to develop a more accurate flood forecasting system. Previsico's FloodMap Live platform uses sophisticated modelling and data feeds to predict flood impacts, including surface water flooding, and provides automated alerts to allow users to protect assets and minimise damage.

The FWT Fund invested £647,993 into Previsico in August 2021 alongside Foresight Williams EIS and Foresight MEIF.

Discussions with a potential client are continuing and growing in scope. A contract has not yet been signed. Additional nearer term revenue opportunities have been identified.

Rovco Limited
www.rovco.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
March 2022	£565,387	£565,387	—	1.1%

Rovco is a leading provider of services and technology in the offshore wind and civil engineering industries. It is developing cutting-edge AI-based technology, underwater 3D SLAM based vision, and level 4 autonomy to revolutionise how offshore industries survey marine infrastructure and improve asset integrity.

The FWT Fund invested £565,387 into Rovco in March 2022 as part of a $20m funding round alongside Equinor and L&G.

The recent round will fund global expansion plans and develop the company's pioneering work in the field of subsea autonomy, computer vision and data management.

Investment Manager's Review

Foresight Williams Technology Fund Portfolio Summary (continued)

dRISK Inc
www.drisk.ai

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
March 2022	£530,597	£530,480	(£117)	7.1%

dRISK is an AI company which promises to revolutionise autonomous vehicle ("AV") efficiency and safety by training AVs to avoid the unexpected real-world "edge case" scenarios or hazards on the roads. dRISK's core technology – with four patents granted and two pending – uses networks of data to store, visualise, and classify edge cases in a way that is optimised for AV training systems to absorb.

The FWT Fund invested £530,597 into dRISK Inc in March 2022 as part of a £1.7m round alongside new investor Stantec and existing investors including Okapi Ventures and SaaS Ventures.

The company continues to drive commercial engagement with potential customers. The recent funding round will accelerate the development and growth of dRISK as a central technology for AVs.

Cambridge GaN Devices Limited
www.camdevices.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
January 2021	£360,807	£422,688	£61,881	2.0%

Cambridge GaN Devices ("CGD") is a University of Cambridge spin out founded in 2016. The company has developed a new generation of gallium nitride ("GaN") semiconductor power devices. GaN power devices are smaller, more efficient and up to 100 times faster than silicon alternatives. Target sectors include consumer electronics, industrial lighting, data centres and automotive.

The FWT Fund invested £360,807 into CGD in January 2021 as part of a £6.9m funding round alongside Foresight Williams EIS, the Business Growth Fund and IQ Capital.

The company is developing in line with expectations. It has shared samples of its devices with a number of potential customers and has secured development contracts with two large consumer electronics customers. CGD will now work with these customers to incorporate its GaN power device into their products.

Foresight Williams Technology Fund Portfolio Summary (continued)

Audioscenic Limited
www.audioscenic.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
October 2020	£359,995	£389,901	£29,906	8.8%

Audioscenic is developing immersive 3D audio technology for loudspeaker systems that will revolutionise the way users experience sound. The system monitors the location of a listener's head using head tracking technology and then beams a separate sound wave to their left and right ears, creating an immersive 3D audio experience far beyond what a conventional surround sound system can offer.

The FWT Fund invested £359,995 into Audioscenic in October 2020 as part of a £1.5m funding round alongside Foresight Williams EIS and existing investors, IP Group.

Audioscenic has now signed its first licensing deal with a major gaming peripherals brand for Audioscenic's gaming soundbar product, which provides immersive 3D audio reproduction. Production is due to commence later in the year. Further licensing agreements with other brands are being explored.

Insphere Limited
www.inspereltd.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
April 2021	£334,421	£334,421	—	6.7%

Insphere's in-process metrology system, 'IONA', operates in real-time, automatically measuring the accuracy of production line robots and instructing self-correction, creating a closed-loop control system. This not only avoids downtime but also provides significantly quicker line set up, reduces waste, improves productivity and ultimately enhances profitability for manufacturers.

The FWT Fund invested £334,421 into Insphere in April 2021 as part of a £1.0m round alongside Foresight Williams EIS.

Insphere is now generating solid customer traction and has secured sales to high-profile manufacturing customers seeking to employ its system to speed up the calibration of industrial robot production lines.

Investment Manager's Review

Foresight Williams Technology Fund Portfolio Summary (continued)

Oxford Space Systems Limited
www.oxford.space

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
February 2022	£323,413	£323,413	—	0.7%

Oxford Space Systems ("OSS") is an award-winning space technology business that is developing a new generation of deployable antennae and boom arms for nanosatellites. These systems are lighter, less complex and lower cost than existing solutions.

The FWT Fund invested £323,413 into Oxford Space Systems in February 2022 as part of a £3.9m funding led by Longwall Ventures, including participation by the National Security Strategic Investment Fund and Foresight Williams EIS.

The recent funding round should support the development and launch of a new high value wrapped rib product and fund the company through to cash flow break even.

Forefront RF Limited
www.forefrontrf.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
August 2021	£270,461	£270,461	—	6.5%

Forefront RF is developing signal cancellation technology to reduce the size and number of components used to receive cellular signals in mobile phones. The company's patent-protected technology would allow for a universal filter module that is ten times smaller than existing modules, enabling a simplified supply chain and more space within the handset, unlocking additional functionality and design flexibility.

The FWT Fund invested £270,461 into Forefront RF Limited in August 2021 as part of a £1.4m round led by Bristol-based Science Creates Ventures, and including Foresight Williams EIS, The Business Growth Fund and Cambridge Angels.

The company is making good progress towards chip scale prototypes. It has already taken its bench top design down to near chip scale and is receiving a good level of interest from large customers in the sector.

Foresight Williams Technology Fund Portfolio Summary (continued)

Machine Discovery Limited
www.machine-discovery.com

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
April 2021	£236,251	£236,251	—	5.5%

Machine Discovery is commercialising a new software platform, based on a new type of algorithm developed in the University of Oxford's Department of Physics to make simulations much faster, easier and less costly than those currently used in the engineering and technology sectors which are increasingly complex and expensive.

The FWT Fund invested £236,251 into Machine Discovery Limited in April 2021 as part of a £1.6m round alongside The Business Growth Fund, Parkwalk and Foresight Williams EIS.

The company is initially targeting the rapidly expanding Electronic Design Automation ("EDA") engineering and clean energy markets. The team continues to execute according to both the technical and commercial plans.

Vector Photonics Limited
www.vectorphotonics.co.uk

First Investment	Net Cost	Carrying Value	Change in Value for Year	% Equity Held
April 2021	£224,995	£224,995	—	3.9%

Vector Photonics is a University of Glasgow spin-out founded in 2020 to develop a new generation of semiconductor lasers. Known as a PCSEL (photonic crystal surface emitting laser), the design uses a photonic crystal with a series of reflectors to control and confine the laser. This results in dramatically improved performance including faster switching speeds, longer wavelengths (>1000 nanometre) and higher output power.

The FWT Fund invested £224,995 into Vector Photonics Limited in April 2021 as part of a £1.6m round alongside Foresight SGS, Foresight Williams EIS, Midven and Equity Gap.

Progress is in line with expectations. Working prototypes meeting the required industry standard 1310nm have been produced. Discussions with potential semiconductor manufacturing partners are on-going.

Investment Manager's Review

About the Investment Manager

The Company's Investment Manager is Foresight Group LLP ("Foresight"), which is responsible for the investment of the Company's capital. Currently, the portfolio consists of companies that own ground-based solar power plants in the UK or are early stage companies developing innovative technologies. The Investment Manager also advises portfolio companies on their borrowing strategy, the sale of the electricity they generate and in the administration of green benefits.

Foresight is an infrastructure and private equity investment manager listed on the London Stock Exchange. Foresight manages assets of over £12.2 billion*, raised from UK and international pension funds and other institutional investors, private and high net worth individuals and family offices. Founded in 1984, in total Foresight manages 33 funds on behalf of institutional and retail investors including five venture capital trusts that are listed on the premium segment of the Official List and are admitted to trading on the Main Market. Foresight's largest office is in London with regional UK offices in Cambridge, Manchester, Nottingham, Milton Keynes, Leicester, Edinburgh, Leeds and Guernsey and international offices in Sydney, Rome, Madrid, Ireland and Luxembourg. Foresight has 274 full time employees including an extensive back office team comprising finance, investor relations, sales, marketing, compliance, HR, IT and administration.

Infrastructure

Foresight established its solar investment team in 2007 and launched its first solar fund, Foresight European Solar Fund, in early 2008. Foresight Solar VCT plc (later renamed Foresight Solar & Technology VCT plc) was launched in November 2010 and the Group has since raised over £200 million for solar-focused Enterprise Investment Schemes. It also launched the largest listed solar fund in the UK, Foresight Solar Fund Limited ("FSFL") in 2013, a fund with a gross asset value of over £1.0 billion currently. In total, the team manages over 130 solar plants totalling over 1.3GW of existing operational capacity across the UK, Australia, Italy, Spain and Portugal.

The team has broadened its focus which now extends across the energy infrastructure sector and beyond. Foresight is one of the largest renewable energy investors in Europe, managing over 337 projects with over 3.1GW of capacity in the UK, Europe and Australia.

The Group's dedicated multinational infrastructure team of 110 possesses a comprehensive suite of capabilities, from investment origination and execution, including sourcing and structuring transactions, to ongoing active asset management within the specialist sector of energy infrastructure.

The Company's Investment Team is responsible for new asset acquisitions, pipeline development, value enhancement of the Company and also advises the Board on the optimal borrowing strategy of the Company. The investment team is supported by UK-based solar analysts with additional support from Foresight's Italian and Australian offices.

Private equity

Foresight's Private Equity Team traces its roots back to Foresight Group's origins as an early stage technology investor. In 1997, Foresight raised one of the first VCTs, the then technology/media focused and now generalist Foresight VCT plc. The Foresight Williams Technology share class represents a return to technology investing, which is a core part of Foresight's DNA.

Foresight's growing private equity investment team of 30 is pro-active and hands-on, focused on investing typically up to £5 million in UK growth companies across a broad range of sectors. In addition to Foresight VCT plc, Foresight Enterprise VCT plc and the recently acquired Downing One VCT plc and Downing Four VCT plc, the team manages the Foresight Williams Technology EIS Fund and the recently acquired Downing Ventures EIS Fund. Foresight has also raised regionally focused institutional funds, cornerstoned variously by local government pension funds, the British Business Bank and the Scottish Government.

The team currently manages a portfolio of more than 200 SME investments across a broad range of sectors including business services, consumer and leisure, healthcare, industrials and manufacturing and technology, media and telecommunications ("TMT").

Foresight Capital Management

Foresight Capital Management ("FCM") was established in 2017 to enable retail and institutional investors to access infrastructure, renewables and real estate investment opportunities through actively managed open-ended funds, investing in listed securities.

FCM has a team of nine investment professionals, who follow an active, hands-on investment process. The team is highly focused on the underlying assets and regularly visits companies around the world, reflecting its global investment remit. As a sustainability-led investor, FCM has a clear view of the speeds at which different sectors in different geographies are addressing sustainability risks and opportunities.

FCM has dedicated internal resource focused on sustainability due diligence and analysis. Several of FCM's strategies are aligned with a bespoke sustainable investment policy, which alongside active engagement with investee management helps to ensure we vote in a manner that is consistent with widely accepted ESG practices.

*subject to the completion of Foresight Group's acquisition of Infrastructure Capital Group.

Evolution of Foresight Solar & Technology VCT plc

2010

In April 2010, the British Government introduced index linked feed-in tariffs ('FiTs') providing minimum inflation-linked prices for electricity produced from various renewable sources, including solar power generating assets. This FiT provided the opportunity for Foresight to launch the Company and utilise its expertise and resources to invest in solar projects.

The Ordinary shares fund was originally a five year planned exit VCT with an option to remain in the fund as a longer-term investor. The fund targeted minimum dividends of 5p per share per annum after the first two years and a minimum return of £1.30 per share after five years.

2013

In 2013, the Company raised an additional £13m from shareholders in a "C" shares fund, targeting investment in sub 5MW solar power plants in the UK, supported by the Government's Renewable Obligation (RO) scheme.

The "C" shares fund was a five year planned exit VCT with an option to remain invested in the fund for the long term. The fund targeted minimum dividends of 5p per share per annum from year two, and a minimum target return of £1.20 after five years.

2016

In February 2016, the Company launched a new "D" shares fund in order to invest in complementary asset classes within the energy and infrastructure sectors including smart data, international solar and wider infrastructure offering a similar risk profile.

2017

The D shares fund raised £4.9m before it closed on 31 January 2017. A small top-up offer in March 2017 led to the D shares fund's total fund raising being £5.6m.

The Ordinary shares fund completed a tender offer on May 2017, buying back 10,966,024 shares for £11.0m.

2018

In June 2018, the Company completed the merger of the Ordinary, C and D shares funds into a single enlarged Ordinary Share class to unite its shareholder base and offer enhanced liquidity by the pooling of the existing cash reserves in each fund.

2019

In December 2019, the Company launched the Foresight Williams Technology share class, to invest principally in early stage UK technology companies.

2020

In March 2020, the Ordinary Shares fund of the Company successfully completed a tender offer, buying back 7,435,016 shares for £6m.

Strategic Report

This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006 and best practice. Its purpose is to inform the members of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

Investment Objective

Foresight Solar & Technology VCT plc consists of two share classes, the Ordinary Shares and FWT Shares. The Ordinary Share class is fully invested in unquoted companies that seek to generate solar electricity and, in most cases, benefit from long-term government-backed price guarantees.

The key ongoing objective of the Ordinary Shares fund is to generate an attractive return for investors, through a combination of tax-free income, buybacks and tender offers.

The FWT Share class intends to invest principally in early stage UK technology companies.

The Company originally raised £37.8m through an Ordinary Share issue in 2010/2011 and 2011/2012, and subsequently a "C" shares fund of £13.1m and a "D" shares fund of £5.6m. On 29 June 2018, the C and D shares funds were merged with the Ordinary Shares fund. The number of Ordinary Shares in issue at 31 March 2022 was 34,593,623 and 1,222,778 Deferred Shares.

The Company launched the FWT Shares in December 2019. The number of FWT Shares in issue at 31 March 2022 was 17,058,716.

Investment objectives

Performance and Key Performance Indicators (KPIs)

The results and performance of the Company are discussed further in the Directors' Report.

The Board expects the Investment Manager to deliver a performance which meets the objectives of the Company. The KPIs covering these objectives are growth in net asset value per share and dividend payments, which, when combined, give an overall NAV total return. Additional key performance indicators and Alternative Performance Measures ("APMs") reviewed by the Board include the premium/discount of the share price relative to the net asset value, which shows the percentage by which the mid-market share price of the Company is higher/lower than the net asset value per share, and total expenses as a proportion of shareholders' funds. KPIs and APMs allow performance comparisons to be made between VCTs.

A record of some of these indicators is contained in the Key Metrics section on page 2.

The ongoing charges ratio for the year was 2.5%. The Director's note that regular share buy-backs at a competitive discount to NAV is an essential KPI and also accretive for existing shareholders. Share buy-backs were completed at an average discount of 2.0%. Further details of the Company's KPIs can be found in the Glossary of Terms on pages 96 and 97.

A review of the Company's performance during the financial year, the position of the Company at the year end and the outlook for the coming year is contained within the Investment Manager's Report. The Board assesses the performance of the Investment Manager in meeting the Company's objective against the primary KPIs and APMs highlighted above.

Investments in unquoted companies at an early stage of their development may disappoint. However, investing in companies with high growth characteristics with the potential to become strong performers within their respective fields creates an opportunity for attractive returns for shareholders.

Strategies for achieving objectives

Investment Policy

The Company will target UK unquoted companies which it believes will achieve the objective of producing attractive returns for shareholders.

Investment securities

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stock, convertible securities, and fixed-interest securities and cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stock. Pending investment in unquoted securities, cash is primarily held in interest bearing accounts as well as in a range of permitted liquidity investments.

UK companies

Investments are primarily made in companies which are based in the UK and which are Qualifying Companies for the purposes of VCT Rules.

Asset mix

The Company consists of two share classes, the Ordinary Shares and FWT Shares. The Ordinary Share class has invested in unquoted companies that seek to generate solar electricity and, in most cases, benefit from long-term government-backed price guarantees. The FWT Share class invests principally in early stage UK technology companies. The Board has always ensured that at least 80% (and prior to 1 April 2020, 70%) of net share capital raised has been invested in Qualifying Companies. Any uninvested funds are held in cash and a range of permitted liquidity investments.

Risk diversification and maximum exposures

Risk has been spread by investing in a number of different companies which have targeted a variety of separate locations for their solar power assets in the case of the Ordinary Shares, and by investing in a range of different businesses within different industry sectors at different stages of development, using a mixture of securities, in the case of the FWT Shares. The maximum amount invested by the Company in any one company has been limited to 15% of the portfolio at the time of investment in accordance with VCT Rules. The value of an investment is expected to increase over time as a result of trading progress and a continuous assessment is made of its suitability for sale. Although risk is spread across different portfolio companies, concentration risk, particularly in the case of the Ordinary Shares, is fairly high given that a significant portion are UK Solar projects owned by Qualifying Companies, in which Qualifying Investments were made by the Ordinary Shares fund and the C Shares fund (which existed prior to the merging of the Ordinary, C and D share classes), which have been merged to form larger trading groups.

Borrowing powers

The Company's Articles permit borrowing, to give a degree of investment flexibility. Under the Company's Articles no money may be borrowed without the sanction of an ordinary resolution if the principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, a principal amount equal to the aggregate of the share capital and reserves of the Company and each of its subsidiary undertakings as shown in the audited balance sheet. The underlying portfolio companies in which the Company invests may utilise bank borrowing or other debt arrangements to finance asset purchases but such borrowing would be non-recourse to the Company.

Other Foresight managed funds

The Company may invest alongside other funds managed or advised by the Investment Manager. Where more than one fund is able to participate in an investment opportunity, allocations will generally be made in proportion to the net cash raised for each such fund, other than where a fund has a pre-existing investment where the incumbent fund will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations, such as the portfolio diversity and the need to maintain VCT status.

The Investment Manager also provides investment management services or advice to Foresight VCT plc, Foresight Enterprise VCT plc, Foresight Nottingham Fund LP, Foresight Environmental Fund LP, Foresight Solar Fund Limited, Foresight Inheritance Tax Solutions, Foresight AD EIS, Foresight Energy Infrastructure EIS, Foresight Regional Investment LP, Foresight Williams Technology EIS Fund, Foresight Italian Green Bond Fund, MEIF ESEM Equity LP, Scottish Growth Scheme – Foresight Group Equity Partners LP, NI Opportunities LP, JLEN Group Limited, Foresight Regional Investment II LP, Foresight Energy Infrastructure Partners S.C.Sp, Foresight Regional Investment III LP, NI Opportunities II LP, Foresight Sustainable Forestry Company plc, Foresight West Yorkshire Business Accelerator LP, Foresight Regional Investment IV LP, AIB Foresight SME Impact LP, Downing One VCT plc, Downing Four VCT plc and Downing Ventures EIS Fund.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue & Customs ("HMRC"). Amongst other conditions, 80% of the Company's investment portfolio must comprise Qualifying Holdings in Qualifying Companies. As at 31 March 2022, 97.13% of the Company's investment portfolio was held in Qualifying Holdings.

Management

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

The Investment Manager prefers to take a lead role in the companies in which it invests. Larger investments may be syndicated with other investing institutions, or strategic partners with similar investment criteria.

A review of the investment portfolio and of market conditions during the year is included within the Investment Manager's Report.

Co-investments have been made by other funds that the Investment Manager advises and manages, as follows:

	Foresight Solar & Technology VCT Plc £	Foresight Williams Technology EIS Fund £	Other Foresight funds £	Total Equity Managed by Foresight %
Ordinary Shares				
Solektra Limited	1,401,200	—	592,425	60.58%
FWT Shares				
Additive Manufacturing Technologies Limited	1,200,001	4,075,001	3,457,796	24.97%
Audioscenic Limited	359,995	689,997	—	25.71%
Cambridge GaN Devices Limited	360,807	451,182	—	4.41%
dRISK Inc	530,597	530,597	—	14.15%
Forefront RF Limited	270,461	270,462	—	13.04%
Insphere Limited	334,421	2,165,578	—	44.00%
Kognitiv Spark Inc	1,255,579	1,255,579	—	12.25%
Machine Discovery Limited	236,251	551,251	—	18.42%
Oxford Space Systems Limited	323,413	2,301,193	—	7.17%
Previsico Limited	647,993	602,007	500,000	30.64%
Refeyn Limited	360,000	2,985,006	—	9.05%
Rovco Limited	565,387	2,565,387	2,934,511	17.69%
Vector Photonics Limited	224,995	524,997	299,992	18.18%
VividQ Limited	1,068,697	1,031,582	—	6.70%
Zero Point Motion Limited	813,750	813,750	—	25.10%

Where the Investment Manager controls over 50% of an investment by virtue of its discretionary management of one or more funds under management, decisions either have to be taken by the individual boards of the shareholding companies in respect of their individual holdings or voting is limited to 50%.

Environmental, human rights, employee, social and community issues

The Company's investments have been made in companies with clean energy and environmental infrastructure projects which have clear environmental benefits.

The Board recognises the requirement under Section 414 of the Companies Act 2006 to provide information about environmental matters (including the impact of the Company's business on the environment), employee, human rights, social and community issues; and information about any policies it has in relation to these matters and effectiveness of these policies.

The Company does not have any policies in place for human rights, environmental, social and community issues due to having no office premises, no employees and its only suppliers being that of the service industry, as opposed to tangible products.

The Investment Manager's policies in respect of all the above issues can be found on its website www.foresightgroup.eu.

Further, in relation to environmental, social and community impact please refer to the Investment Manager's Review for more information on Foresight Group's Responsible Investment Principles.

The PRI Association, established in 2006, is a global collaborative network of investors working together to put the six Principles for Responsible Investment into practice. As an investment manager, Foresight has a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, Foresight believes that Environmental, Social, and corporate Governance ("ESG") issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). Foresight also recognises that applying these Principles may better align investors with broader objectives of society. For the 2021 PRI Annual Assessment, Foresight were pleased to be awarded the highest possible scores (A+) for Strategy and Governance and Infrastructure investments, and "A" for Private Equity. These strong results further demonstrate our commitment to sustainability and responsible business practices.

Signatory of:

PRI Principles for Responsible Investment

Diversity

The Board currently comprises two male Directors and one female Director. There is no formal diversity policy in place, however the Board is conscious of the need for diversity and will actively seek and encourage male and female candidates from all ethnic backgrounds when appointing new Directors.

The Manager has an equal opportunities policy and, as at 31 March 2022, employed 164 men and 103 women.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emissions sources under the Companies Act 2006 (Strategic Report and Directors' Reports) regulations 2013.

Dividend policy

The Board originally planned to pay dividends of 5.0p per Ordinary Share each year throughout the life of Foresight Solar & Technology VCT plc after the first year, payable bi-annually via dividends of 2.5p per share in April and November each year. The level of dividends is not however, guaranteed.

Following the completion of the tender offer, which reduced the size of the fund, the Board has considered the future dividend policy of the Ordinary Shares fund. With the objective of maximising long-term future returns for Ordinary Shareholders, the Board will endeavour to pay out dividends derived from the income generated by the underlying portfolio, rather than a fixed pence per share.

Dividends for the FWT Shares Fund are anticipated to be paid from year four onwards at a targeted average rate of 5% per annum of the NAV of the FWT Shares.

Share buyback policy

The Company's buyback policy is, subject to adequate cash availability, to consider repurchasing shares when they become available in order to help provide liquidity to the market in the Company's shares.

Directors' duty to promote the success of the Company

The Directors have a duty to promote the success of the Company for the benefit of shareholders as a whole and to describe how they have performed this duty having regard to matters set out in Section 172(1) of the Companies Act 2006. In fulfilling this duty, the Directors consider the likely consequences of their actions over the long term and on other stakeholders.

As a third party managed VCT, the Company does not have employees. Its main stakeholders therefore comprise its Shareholders, who are also its customers, portfolio companies, the environment and society and a small number of suppliers. These suppliers are external firms engaged by the Board to provide, amongst others, investment management, secretarial, registrar and legal and professional services. The principal relationship is with the Investment Manager and the Investment Manager's Review contains further information on this. Its investment management service is fundamental to the long term success of the Company through the pursuit of the investment objective. The Board reviews the investment performance of the Company and the ability of the Investment Manager to produce satisfactory investment performance. It seeks to maintain a constructive working relationship with the Investment Manager and on an annual basis the Management Engagement & Remuneration Committee reviews the appropriateness of the Investment Manager's appointment.

The Board receives and reviews detailed presentations and reports from the Investment Manager to enable the Directors to exercise effective oversight of the Company's activities.

The Investment Manager seeks to maintain constructive relationships with the Company's other suppliers on behalf of the Company, typically through regular communications and provision of relevant information.

To help the Board in its aim to act fairly between the Company's members, it encourages communications with all shareholders. The Annual and Half-Yearly Reports are issued to shareholders and are available on the Company's website together with other relevant information including quarterly factsheets. The Investment Manager and members of the Board are available to meet with shareholders at the AGM.

Shareholders' views are considered during the Board's annual strategy reviews. The Board has also established guidelines in accordance with which the Investment Manager implements share buybacks at a target discount to NAV. In addition, the Board has adopted a target dividend policy as described in the Dividend Policy on page 39.

As described in more detail within the Corporate Governance Report, the Board is committed to maintaining and demonstrating high standards of corporate governance in relation to the Company's business conduct. The Board also expects high standards at the companies in which the Company is invested. In this regard, it is satisfied that the Investment Manager consistently and proactively engages with portfolio companies on environmental, social and governance matters, where these are material to the investment case and therefore to the long-term success of the Company. More detail on this can be found in the Investment Manager's Review.

For the FWT Shares investments, where environmental, social and governance matters impinge upon the investment case, the Investment Manager engages with investee companies to encourage the issues to be addressed through that company's "100-day plan". The Investment Manager is well placed to undertake this activity, which has always been an integrated element of its investment process. The team of investment professionals is well resourced and, collectively, has a deep knowledge and understanding across corporate finance, consulting, accountancy and private equity.

The Investment Manager supports the aims and objectives of the FRC's Stewardship Code (the "Stewardship Code"). While the Manager is not currently a signatory to the Stewardship Code it is working to ensure alignment with it and it is expected that an application will be made by no later than 30 April 2023. A statement to that effect is noted on the Investment Manager's website and can be found at: https://www.foresightgroup.eu/stewardship-code.

In summary, the Board's primary focus is to promote the long term success of the Company for the benefit of its shareholders, with a view to achieving the investment objective in a manner consistent with its stated investment policy and strategy. In doing so, and as described above, it has due regard to the impact of its actions on other stakeholders and the wider community.

Principal risks, risk management and regulatory environment

The Board carries out half-yearly reviews of the risk environment, including emerging risks, in which the Company operates.
The principal risks and uncertainties identified by the Board which might affect the Company's business model and future performance, and the steps taken with a view to their mitigation, are set out below. Emerging risks that have also been considered include that of climate change and the Russian invasion of Ukraine.
Further details of climate change considerations are provided in the Climate Change Statement on page 24. The potential political and economic risks associated with the invasion of Ukraine and the impact on the companies in which the Company invests is under continuous assessment by the Investment Manager.

Market Risk: Macroeconomic changes, political developments or external shocks affect the investment community in general and lead to a fall in the valuation of investee companies, a drop in the Company's share price or widening discount to Net Asset Value, resulting in capital losses for Shareholders.

Key controls and mitigation: The Investment Manager ensures the portfolio is diversified and the Board reviews it at least quarterly. The Company also maintains sufficient cash reserves to be able to provide additional funding to investee companies where appropriate and to repurchase its own shares.

Strategic and Performance Risk: The Board fails to set appropriate strategic objectives and fails to monitor the Company's implementation of strategy which leads to poor performance. Unattractive objectives or prolonged poor performance leads to a lack of investor demand for the Company's shares, resulting in difficulty raising new capital, a lack of cash available to fund buybacks and an inability to control a widening discount.

Key controls and mitigation: The Board and the Investment Manager meet on a quarterly basis to assess and monitor the Company's performance and strategy.

Internal Control Risk: The control environments at service providers, including the Investment Manager, have inadequate procedures for the identification, evaluation and management of risks, cyber security and GDPR, putting the Company's assets and data at risk.

Key controls and mitigation: The Board carries out semi-annual reviews of the system of internal controls, both financial and non-financial, operated by the Investment Manager and other service providers and asks the external auditor to report on the Investment Manager's internal controls. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

Legislative and Regulatory Risk: The Company fails to comply with applicable laws and regulations including VCT Rules, UK Listing Authority Rules, AIC Code on Corporate Governance, Stewardship Code, Companies Act, Bribery Act, Market Abuse Regulations, GDPR, Criminal Finances Act and relevant Taxes Acts and as a result loses its approval as a VCT. Radical changes to VCT rules limit satisfactory investment returns and the ability to issue new shares causing a reluctance to sell investee companies. This leads to a cash flow issue which restricts dividend payments or share buybacks and the Company's ability to control a widening discount. In extreme circumstances, the current VCT regime ending on 5 April 2025 is not renewed or extended, causing Shareholders to cease to benefit from tax free dividends and capital gains tax exemption after that date.

Key controls and mitigation: The Investment Manager is contracted to provide company secretarial, accounting and administration services through qualified professionals and the Board receives regular updates on compliance with relevant regulations. The Company, the Investment Manager and the VCT status adviser are, between them, members of the VCT Managers Association, EIS Association and the AIC and are regularly consulted by HMRC and Treasury, or reply to consultations, before changes in legislation take place, often enabling a middle ground to be agreed on legislative changes. The Board and Investment Manager review corporate governance and regulatory changes on a continual basis and seek additional advice as and when required.

VCT Qualifying Status Risk: The Company is required at all times to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status. The loss of such approval could lead to the Company ceasing to be exempt from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and capital gains tax on the disposal of their shares, and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment.

Key controls and mitigation: Legal advice is taken for each transaction to ensure all investments are qualifying. Advance assurance, where appropriate, is sought from HMRC ahead of completion. The Investment Manager keeps the Company's VCT qualifying status under continual review, seeking to take appropriate action to maintain it where required. The Board has also retained RW Blears LLP to undertake an independent VCT status monitoring role.

Investment Valuation and Liquidity Risk: Most of the Company's investments are in small and medium-sized unquoted companies which are Qualifying Holdings, and which by their nature entail a higher level of risk, subjective valuations and lower liquidity than investments in larger quoted companies. Unquoted companies are unlisted and there is no published market price for their shares. The value of the shares needs to be calculated based on other information using estimates and judgements, and is reliant on the accuracy and completeness of some information provided by investee companies. The Company may not be able to sell its investments in unquoted companies. Insufficient capital realisations and the Company's inability to raise new capital could prevent the Company from meeting its financial commitments and restrict dividends and buybacks.

Key controls and mitigation: The Investment Manager aims to limit the risk attaching to the portfolio as a whole by careful selection, close monitoring and timely realisation of investments, by carrying out rigorous due diligence procedures and maintaining a spread of holdings in terms of industry sector. The Board reviews the investment portfolio with the Investment Manager on a quarterly basis. Valuations are prepared in accordance with the IPEV Valuation Guidelines, as discussed in more detail in note 1 to the accounts. Sensitivity analysis is disclosed in note 15. The Board reviews portfolio valuations quarterly and the external auditor performs an annual review, as noted in the auditor's report.

Viability Statement

In accordance with principle 21 of the AIC Code of Corporate Governance published by the AIC in February 2019, the Directors have assessed the prospects of the Company over the three year period to 31 March 2025. This three year period is used by the Board during the strategic planning process and is considered reasonable for a business of its nature and size.

In making this statement, the Board carried out an assessment of the principal risks facing the Company, including those that might threaten its business model, future performance, solvency, or liquidity. The Board concentrated its efforts on the major factors that affect the economic, regulatory and political environment.

The Board also considered the ability of the Company to raise finance and deploy capital. This assessment took account of the availability and likely effectiveness of the mitigating actions that could be taken to avoid or reduce the impact of the underlying risks, including the Investment Manager adapting their investment process to take account of the more restrictive VCT investment rules that currently apply.

The Directors have also considered the Company's income and expenditure projections and underlying assumptions for the next three years and found these to be realistic and sensible.

Stress testing on the cash flow forecast has not been performed, due to the discretionary nature of the main inflows and outflows. If fewer funds are raised, and fewer realisations achieved, then fewer investments and buybacks can be made and reduced dividends can be paid. The contracted ongoing costs of the Company are sufficiently covered for the next three years.

Based on the Company's processes for monitoring cash flow, share price discount, ongoing review of the investment objective and policy, asset allocation, sector weightings and portfolio risk profile, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three years to 31 March 2025.

Performance-related incentives

Ordinary Shares fund

The performance incentive arrangements were novated from Foresight Group CI Limited to the Investment Manager on 27 January 2020.

The Investment Manager is entitled to a performance incentive fee of 30% of Total Return exceeding a threshold of 130.0p per Ordinary Share from 30 June 2017 increasing by a simple 5% per annum going forward, i.e. 136.5p for the Company's financial year ending 30 June 2018, 141.6p for the period ending 31 March 2019, 148.7p for the year ending 31 March 2020 and so on.

FWT Shares fund

The Investment Manager is entitled to a performance incentive fee of 20% of Distributions exceeding a threshold of 110.0p per FWT Share (subject to annual adjustment of this hurdle in line with the Retail Price Index).

Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines (December 2018 and further COVID-19 guidance for March 2020) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at 'fair value'. Where the investment being valued was itself made recently, its cost may provide a good starting point for estimating fair value. At each measurement date, fair value is estimated using appropriate valuation techniques. The portfolio valuations are prepared by the Investment Manager, reviewed and approved by the Board quarterly and subject to annual review by the external auditor.

A broad range of assumptions are used in our valuation models. For the Ordinary Shares portfolio, these assumptions are based on long-term forecasts and are not affected by short-term fluctuations in inputs, be it economic or technical. Under the normal course of events, we would expect asset valuations to reduce each period due to the finite nature of the cash flows.

VCT tax benefit for shareholders

To obtain VCT tax reliefs on subscriptions up to £200,000 per annum, a VCT investor must be a 'qualifying' individual over the age of 18 with UK taxable income. The tax reliefs for subscriptions since 6 April 2006 are:

- Income tax relief of 30% on subscription for new shares, which is forfeited by shareholders if the shares are not held for more than five years;
- VCT dividends (including capital distributions of realised gains on investments) are not subject to income tax in the hands of qualifying holders; and
- Capital gains on disposal of VCT shares are tax-free, whenever the disposal occurs.

The upfront income tax relief will be forfeited by Shareholders if the shares are not held for five years or the Company loses its approval as a VCT in that period.

The other tax reliefs will similarly be lost if the Company loses its approval as a VCT.

Venture Capital Trust status

Foresight Solar & Technology VCT plc is approved by HMRC as a venture capital trust (VCT) in accordance with the VCT Rules. It is intended that the business of the Company be carried on so as to maintain its VCT status. The Board and the Investment Manager have managed, and continue to manage, the business in order to comply with the legislation applicable to VCTs. In addition, the Board has appointed RW Blears LLP to monitor and provide continuing advice in respect of the Company's compliance with applicable VCT Rules. As at 31 March 2022 the Company had 97.13% (2021: 92.01%) of its funds in such VCT Qualifying Holdings.

The upfront income tax relief will be forfeited by shareholders if the shares are not held for five years.

Future strategy

The Company will continue to seek to optimise the existing Ordinary Shares portfolio while executing the current sale process.

The Company will also continue to raise new funds in the FWT Shares fund and continue to deploy funds into appropriate qualifying investments for this share class.

Ernie Richardson
Chairman
17 August 2022

Board of Directors

"The wide ranging backgrounds and experience of the Directors provides a strong and complementary balance of skills, knowledge and wisdom to the Company's affairs.

Ernie Richardson
Chairman

Ernie Richardson
Chairman of the Board

Position	Chairman of the Board
Appointed	1 January 2019
Experience	Ernie was appointed as Chairman of the Board in September 2019, having joined the Board in January 2019. Ernie has over 30 years' experience in the venture capital sector and was until 2009 chief executive of venture capital investment firm MTI. He is a graduate chemical engineer and Fellow of the Chartered Institute of Management Accountants and has served as a member of the Council of the British Venture Capital Association and also served as Chair of the investment committee of the National Endowment for Science, Technology and the Arts. He also has over 20 years' operational management experience gained within businesses including British Steel Chemicals Division and chemicals company Laporte Industries and is chairman of several smaller companies. He has also served as Financial Controller of the European Division of the Royal Bank of Canada.
Other positions	Director of Thomas Swan Holdings Limited, Eastwood Langley Limited and Zeti Limited
Beneficial Shareholding	FWT Shares 40,000

Tim Dowlen
Director

Position	Director
Appointed	6 July 2010
Experience	A director of insurance broking companies from 1973 to 2016, Tim was most recently a divisional director of City-based Lloyd's broking firm Tasker & Partners where he was responsible for developing the retail insurance broking activities of the firm. Tim was for many years Senior Examiner in liability insurance for the Chartered Insurance Institute. A practising expert witness since 1998, he has given independent evidence to the Courts in over 130 disputes in the insurance sector and is director, insurance, of GBRW Expert Witness Limited. Tim has specialised in the venture capital sector since starting his own insurance firm in 1974. He acted as insurance broker to a number of fund managers and other financial institutions.
Other positions	Director of Woking Street Angels
Beneficial Shareholding	Ordinary Shares 29,558 FWT Shares 25,906

Carol Thompson
Director

Position	Director
Appointed	22 March 2021
Experience	Carol brings over 25 years' experience in governance and strategic financial management to her role, and has spent large parts of her career as a board member in technology and regulated businesses. She has held senior positions at Hellman & Friedman, a leading private equity investment firm, and JP Morgan. She has also held non-executive and advisory roles at a number of firms including Livingbridge, DWF and JP Morgan. Carol serves as a non-executive director, and also chairs the Company's audit committee.
Other positions	Director of AAA Rated Limited, Maintel Holdings Plc
Beneficial Shareholding	Nil

Directors' Report

The Directors present their report and the audited accounts of the Company for the year ended 31 March 2022.

The Board

The Board of the Company consists of three non-executive directors: Ernie Richardson (Chairman), Tim Dowlen & Carol Thompson. There have been no changes to the Board composition from the year end to the date of this report. Further information on the Board and their biographies are included on pages 44 and 45.

Activities and status

The principal activity of the Company during the year was the making of investments in unquoted companies in the United Kingdom. The Company is not an investment company within the meaning of Section 833 of the Companies Act 2006. It has satisfied the requirements as a VCT under the VCT Rules. Confirmation of the Company's qualification as a VCT has been received up to 31 March 2021 and the Directors have managed and intend to continue to manage the Company's affairs in such a manner as to comply with these regulations.

Results and dividends

The total profit attributable to equity shareholders for the year amounted to £13.6m (2021: loss of £0.8m). No Ordinary Share interim dividend was paid in the year (2021: one interim dividend of 2.0p per Ordinary Share).

Net asset value total return

During the year ended 31 March 2022, the Company's principal indicator of performance, net asset value total return per Ordinary Share increased 33.4% from 114.9p per share at 31 March 2021 to 153.3p per share at 31 March 2022.

The net asset value total return for the FWT shares was 97.4p per share at 31 March 2022 (2021: 98.0p).

Share issues

During the year the Company allotted 7,037,308 FWT Shares under the Offers for Subscription dated 30 December 2020 and 5 January 2022 at prices ranging from 96.0p to 103.9p per share.

At 31 March 2022, the Company had 34,593,623 Ordinary Shares, 1,222,778 Deferred Shares, and 17,058,716 FWT Shares in issue.

Share buybacks

During the year the Company repurchased 515,409 Ordinary Shares for cancellation at a total cost of £0.4m. No shares bought back by the company are held in treasury. Share buybacks have been completed at an average discount of 2.0% to net asset value.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emissions sources under the Companies Act 2006 (Strategic Report and Directors' Reports) regulations 2013.

Principal risks, risk management and regulatory environment

A summary of the principal risks faced by the Company are set out in the Strategic Report on pages 40 and 41.

Engagement with suppliers, customers and others in a business relationship with the Company

A summary of the engagement with suppliers, customers and others in a business relationship with the Company can be found in the Strategic Report on page 39.

Corporate governance

Please refer to the Corporate Governance section for the Company's corporate governance.

Management

The Company has appointed Foresight Group LLP ("the Investment Manager") to provide investment management and administration services.Annually, the Management Engagement & Remuneration Committee reviews the appropriateness of the Manager's appointment. In carrying out its review, the Management Engagement &

Remuneration Committee considers the investment performance of the Company and the ability of the Investment Manager to produce satisfactory investment performance. It also considers the length of the notice period of the investment management contract and fees payable to the Investment Manager, together with the standard of other services provided which include Company Secretarial services. It is the Directors' opinion that the continuing appointment of the Investment Manager on the terms agreed is in the interests of shareholders as a whole. The last review was undertaken in July 2022. Foresight Group LLP is the Secretary of the Company. The principal terms of the management agreement are set out in note 3 to the accounts.

No Director has an interest in any contract to which the Company is a party.

Foresight Group LLP, who was appointed as investment manager on 27 January 2020, earned fees of £0.7m in the year to 31 March 2022 (2021: £0.5m). Foresight Group LLP received, directly and indirectly, £0.2m excluding VAT (2021: £0.2m) during the year in respect of secretarial, administrative and custodian services to the Company.

Foresight Group LLP also received from investee companies arrangement fees of £219,000 (31 March 2021: £43,000) and directors' fees of £39,000 (31 March 2021: £15,000) as a result of the investments made by the Company.

The Investment Manager is also a party to the performance incentive agreements described in note 13 to the accounts and earned performance incentive fees of nil (2021: £nil). All amounts are stated, where applicable, net of Value Added Tax.

VCT status monitoring

The Company has retained RW Blears LLP as legal and VCT status advisers on, inter alia, compliance with legislative requirements. The Directors monitor the Company's VCT status at meetings of the Board.

Substantial shareholdings

So far as the Directors are aware, there were no individual shareholdings representing 3% or more of the Company's issued share capital at the date of this report.

Financial instruments

Details of all financial instruments used by the Company during the year are given in note 15 to the accounts.

Likely future developments

Please refer to the Investment Manager's Report on pages 10 and 24 for more details on likely future developments.

Directors indemnification and insurance

The Directors have the benefit of indemnities under the articles of association of the Company against, to the extent only as permitted by law, liabilities they may incur acting in their capacity as Directors of the Company. An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities that may arise in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Policy of paying creditors

The Company does not subscribe to a particular code but follows a policy whereby suppliers are paid by the due date and investment purchases are settled in accordance with the stated terms. At the year end trade creditors represented an average credit period of zero days (2021: zero days).

Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD came into force on 22 July 2013 and sets out the rules for the authorisation and on-going regulation of managers (AIFMs) that manage alternative investment funds (AIFs) in the EU. The Company qualifies as an AIF and so is required to comply, although additional cost and administration requirements are not material. The Company's approval was confirmed in August 2014. This has not affected the current arrangements with the Investment Manager, who continues to report to the Board and manage the Company's investments on a discretionary basis.

Audit information

Pursuant to Section 418(2) of the Companies Act 2006, each of the Directors confirms that (a) so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of such information.

Statutory Instrument 2008/410 Schedule 7 Part 6

The following disclosures are made in accordance with Statutory Instrument 2008/410 Schedule 7 Part 6.

Capital Structure

The Company's issued share capital as at 17 August 2022 was 34,593,623 Ordinary Shares, 1,222,778 Deferred Shares and 18,776,656 FWT Shares.

The Ordinary Shares represent 64.8% of total ordinary share capital and the FWT Shares represent 35.2% of total ordinary share capital. Further information on the share capital of the Company is detailed in note 11 of the notes to the financial statements.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this report are given in note 5 in the Notice of Annual General Meeting on page 94.

Notifiable interests in the Company's voting rights

At the date of this report no notifiable interests had been declared in the Company's voting rights.

Auditor

Pursuant to S487(2) of the Companies Act 2006, the Board proposed the reappointment of Deloitte LLP and a resolution concerning this will be proposed at the Annual General Meeting.

Directors' Report

Companies Act 2006 Disclosures

In accordance with Schedule 7 of the Large and Medium Size Companies and Groups (Accounts and Reports) Regulations 2008, as amended, the Directors disclose the following information:

- the Company's capital structure and voting rights are summarised above, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- there exist no securities carrying special rights with regard to the control of the Company;
- the rules concerning the appointment and replacement of directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006;
- the Company does not have any employee share scheme;
- there exist no agreements to which the Company is party that may affect its control following a takeover bid; and
- there exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur following a takeover bid or for any other reason.

Conflicts of interest

The Directors have declared any conflicts or potential conflicts of interest to the Board which has the authority to approve such conflicts. The Company Secretary maintains the Register of Directors' Conflicts of Interest which is reviewed quarterly by the Board and when changes are notified. The Directors advise the Company Secretary and Board as soon as they become aware of any conflicts of interest. Directors who have conflicts of interest do not take part in discussions concerning their own conflicts.

Foresight Group, as Investment Manager, manages several funds that invest in solar projects. To ensure that projects are allocated equitably between funds, a formal allocation policy is followed.

Whistleblowing

The Board has been informed that the Investment Manager has arrangements in place in accordance with the UK Corporate Governance Code's recommendations by which staff of the Investment Manager or Secretary of the Company may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters. On the basis of that information, adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their respective organisations.

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. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are referred to in the Chairman's Statement, Strategic Report and Notes to the accounts. In addition, the accounts include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has sufficient 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 able to manage its business risks. Cash flow projections have been reviewed, with particular focus on the impact of Covid-19 and show that the Company has sufficient funds to meet both its contracted expenditure and its discretionary cash outflows in the form of share buy backs and dividends.

The Directors have considered both the impact of Covid-19 and Russia's invasion of Ukraine during their assessment of going concern and 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.

Post balance sheet events are disclosed in note 20.

Directors remuneration

Following changes to the Companies Act 2006, UK investment companies must comply with new regulations in relation to directors' remuneration. Directors' fees can only be paid in accordance with a remuneration policy which has been approved by shareholders. The Company must also publish a Directors' Remuneration Report which complies with a new set of disclosure requirements. See pages 54 to 56.

Annual General Meeting

A formal notice convening the Annual General Meeting on 27 September 2022 can be found from page 92.

Resolutions 1 to 8 will be proposed as ordinary resolutions meaning that for each resolution to be passed more than half of the votes cast at the meeting must be in favour of the resolution.

Resolutions 9 and 10 will be proposed as special resolutions meaning that for each resolution to be passed at least 75% of the votes cast at the meeting must be in favour of the resolution. Resolutions 8 to 10 supplement and renew share issue and buyback authorities granted at previous general meetings of the Company and are explained in further detail below.

Resolution 8

Resolution 8 will authorise the Directors to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to an aggregate nominal amount of £300,000 (representing approximately 56% of the current issued ordinary share capital of the Company) for the purposes listed under the authority requested under Resolution 9. This includes authority to issue shares pursuant to the performance incentive fee arrangements with Foresight Group LLP and top-up offers for subscription to raise new funds for the Company if the Board believes this to be in the best interests of the Company. Any offer is intended to be at an offer price linked to NAV. The authority conferred by Resolution 8 will expire on the fifth anniversary of the passing of the resolution, and will be in addition to all other existing authorities.

Resolution 9

Resolution 9 will sanction, in a limited manner, the disapplication of pre-emption rights in respect of the allotment of equity securities (i) with an aggregate nominal value of up to £300,000 in each class of share in the Company pursuant to offer(s) for subscription, (ii) with an aggregate nominal value of up to 10% of the issued share capital in the Company pursuant to the performance incentive arrangements with Foresight Group LLP and (iii) with an aggregate nominal value of up to 10% of the issued share capital in the Company, in each case where the proceeds of such issue may in whole or in part be used to purchase the Company's shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2023 and will be in addition to all other existing authorities.

Resolution 10

It is proposed by Resolution 10 that the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares. Under this authority the Directors may purchase up to 5,185,584 Ordinary Shares and 2,814,621 FWT Shares (representing approximately 14.99% of each share class at the date of this Annual Report). When buying shares, the Company cannot pay a price per share which is more than 105% of the average of the middle market quotation for shares taken from the London Stock Exchange daily official list on the five business days preceding the day on which shares are purchased or, if greater, the amount stipulated by Article 5(6) of the Market Abuse Regulation. This authority shall expire at the conclusion of the Annual General Meeting to be held in 2023.

Whilst, generally, the Company does not expect shareholders will want to sell their shares within five years of acquiring them because this may lead to a loss of tax relief, the Directors anticipate that from time to time a shareholder may need to sell shares within this period. Front end VCT income tax relief is only obtainable by an investor who makes an investment in new shares issued by the Company. This means that an investor may be willing to pay more for new shares issued by the Company than he would pay to buy shares from an existing shareholder. Therefore, in the interest of shareholders who may need to sell shares from time to time, the Company proposes to renew the authority to buy-in shares for the benefit of new as well as existing shareholders. This authority when coupled with the ability to issue new shares for the purposes of financing a purchase of shares in the market, enables one company to purchase shares from a shareholder and effectively to sell on those shares through the company to a new investor with the potential benefit of full VCT tax relief. In making purchases the Company will deal only with member firms of the London Stock Exchange at a discount to the then prevailing net asset value per share of the Company's shares to ensure that existing shareholders are not disadvantaged.

This report has been approved for issue by the Board.

Foresight Group LLP
Company Secretary
17 August 2022

Registered address:
The Shard
32 London Bridge Street
London SE1 9SG

Corporate Governance

The Board of Foresight Solar & Technology VCT plc has considered the Principles and Provisions of the AIC Code of Corporate Governance ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code ("the Code") issued by the Financial Reporting Council, as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the Code to make them relevant for investment companies.

Unless noted as an exception below, the requirements of the AIC Code were complied with throughout the year ended 31 March 2022.

The Board

The Board comprises three directors, all of whom are non-executive and independent of the Investment Manager and considered independent for the purposes of the AIC Code and the Listing Rules. The Chairman has served on the Board for less than nine years from the date of his appointment in January 2019. The Board therefore considers the Chairman independent in character and judgement and his re-election is sought every year. The Nomination Committee meets annually to discuss the appropriateness of the Board appointments and considers there to be no other circumstances which are likely to impair the Chairman's independence.

Division of responsibilities

The Directors have significant relevant experience of similar investment funds, regulatory organisations, corporate governance of listed companies, the private equity industry and investing in small companies.

The Board is responsible to shareholders for the proper management of the Company and meets at least quarterly and more often on an ad hoc basis as required. It has formally adopted a schedule of matters that are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. A management agreement between the Company and its Investment Manager sets out the matters over which the Investment Manager has authority, including monitoring and managing the existing investment portfolio and the limits above which Board approval must be sought. All other matters are reserved for the approval of the Board of Directors. The Investment Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights.

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties.

The Board has access to the officers of the Company Secretary who also attend Board Meetings. Representatives of the Investment Manager attend all formal Board Meetings although the Directors may on occasion meet without representatives of the Investment Manager being present. Informal meetings with the Investment Manager are also held between Board Meetings as required. Attendance by Directors at Board and Committee meetings is detailed in the table below.

The Company Secretary provides full information on the Company's

Corporate Governance

assets, liabilities and other relevant information to the Board in advance of each Board Meeting.

In addition to the below, eight further meetings were held in relation to the allotment of FWT shares.

Meeting attendance during the year

	Board	Audit
Ernie Richardson	4/4	2/2
Tim Dowlen	4/4	2/2
Carol Thompson	4/4	2/2

One meeting for the nomination committee and one meeting for the remuneration committee took place during the year, which were attended by all three directors in office.

In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Investment Manager, RW Blears LLP and other service providers, the Company has not appointed a chief executive officer, deputy Chairman or a senior independent non-executive Director as recommended by the AIC Code. The provisions of the AIC Code which relate to the division of responsibilities between a chairman and a chief executive officer are, accordingly, not applicable to the Company.

Board committees

The Board has adopted formal terms of reference, which are available to view by writing to the Company Secretary at the registered office, for three standing committees which make recommendations to the Board in specific areas.
The Audit Committee comprises Carol Thompson (Chair), Tim Dowlen and Ernie Richardson, all of whom are considered to have sufficient recent and relevant financial experience to discharge the role, and meets, amongst other things, to consider the following:

- Monitor the integrity of the financial statements of the Company and approve the accounts;
- Review the Company's internal control and risk management systems;
- Make recommendations to the Board in relation to the appointment of the external auditors;
- Review and monitor the external auditors' independence; and
- Implement and review the Company's policy on the engagement of the external auditors to supply non-audit services.

In the prior year, the Board re-appointed Deloitte LLP as the Company's auditor.

The Audit Committee has performed an assessment of the audit process and the auditor's report in the Audit Committee Report. The Directors have decided to recommend the appointment of Deloitte LLP as auditor and a resolution concerning this will be proposed at the Annual General Meeting. Blick Rothenberg Limited provides the Company's taxation services.

The Nomination Committee comprises Ernie Richardson (Chairman), Tim Dowlen and Carol Thompson and intends to meet at least annually to consider the composition and balance of skills, knowledge and experience of the Board and to make nominations to the Board in the event of a vacancy, and also considers the resolutions for the annual re-election of directors. The Board believes that, as a whole, it has an appropriate balance of skills, experience and knowledge. The Board also believes that diversity of experience and approach, including gender diversity, amongst Board members is important and it is the Company's policy to give careful consideration to issues of Board balance and diversity when making new appointments.

The Management Engagement & Remuneration Committee (which has responsibility for reviewing the remuneration of the Directors) comprises Ernie Richardson (Chairman), Tim Dowlen and Carol Thompson and meets at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role. The Management Engagement & Remuneration committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards.
The Management Engagement & Remuneration Committee also reviews the appointment and terms of engagement of the Investment Manager.

Board evaluation

The Board undertakes a formal annual evaluation of its own performance and that of its committees, as recommended by provision 21 of the UK Corporate Governance Code. Initially, the evaluation takes the form of a questionnaire for the Board (and its committees). The Chairman then discusses the results with the Board (and its committees) and following completion of this stage of the evaluation, the Chairman will take appropriate action to address any issues arising from the process.

Internal control

The Directors of Foresight Solar & Technology VCT plc have overall responsibility for the Company's

Corporate Governance

system of internal control and for reviewing its effectiveness.

The internal controls system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives. The system is designed to meet the particular needs of the Company and the risks to which it is exposed and by its nature can provide reasonable but not absolute assurance against misstatement or loss.

The Board's appointment of Foresight Group as accountant and administrator has delegated the financial administration to Foresight Group. It has an established system of financial control, including internal financial controls, to ensure that proper accounting records are maintained and that financial information for use within the business and for reporting to shareholders is accurate and reliable and that the Company's assets are safeguarded.

RW Blears LLP provide legal advice and assistance in relation to the maintenance of VCT tax status, the operation of the agreements entered into with Foresight Group and the application of the venture capital trust legislation to any company in which the Company is proposing to invest.

Foresight Group LLP was appointed by the Board as Company Secretary in November 2017 with responsibilities relating to the administration of the non-financial systems of internal control. All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with. Pursuant to the terms of its appointment, Foresight Group invests the Company's assets in venture capital and other investments and in its capacity as administrator has physical custody of documents of title relating to equity investments.

Following publication of Internal Control: Guidance for Directors on the UK Corporate Governance Code (the Turnbull guidance), the Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Company, that have been in place for the year under review and up to the date of approval of the annual report and financial statements, and that this process is regularly reviewed by the Board and accords with the guidance. The process is based principally on the Investment Manager's existing risk-based approach to internal control whereby a test matrix is created that identifies the key functions carried out by the Investment Manager and other service providers, the individual activities undertaken within those functions, the risks associated with each activity and the controls employed to minimise those risks. A residual risk rating is then applied. The Board is provided with reports highlighting all material changes to the risk ratings and confirming the action, that has been, or is being, taken. This process covers consideration of the key business, operational, compliance and financial risks facing the Company and includes consideration of the risks associated with the Company's arrangements with Foresight Group and RW Blears LLP.

The Audit Committee has carried out a review of the effectiveness of the system of internal control, together with a review of the operational and compliance controls and risk management, as it operated during the year and reported its conclusions to the Board which was satisfied with the outcome of the review.

Such review procedures have been in place throughout the full financial year and up to the date of approval of the accounts, and the Board is satisfied with their effectiveness.

These procedures are designed to manage rather than eliminate risk and, by their nature, can only provide reasonable but not absolute assurance against material misstatement or loss. The Board monitors the investment performance of the Company in comparison to its objective at each Board meeting. The Board also reviews the Company's activities since the last Board meeting to ensure that the Investment Manager adheres to the agreed investment policy and approved investment guidelines and, if necessary, approves changes to such policy and guidelines.

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Investment Manager, the Audit Committee and other third party advisers provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. In addition, the Company's financial statements are audited by external auditors. An internal audit function, specific to the Company, is therefore considered unnecessary.

UK Stewardship Code

The Manager supports the aims and objectives of the FRC's Stewardship Code (the "Stewardship Code"). While the Manager is not currently a signatory to the Stewardship Code it is working to ensure alignment with it and it is expected that an application will be made by no later than 30 April 2023. A statement to that effect is noted on the Manager's website and can be found at: https://www.foresightgroup.eu/stewardship-code.

Relations with Shareholders

The Company communicates with Shareholders and solicits their views where it considers it is appropriate to do so. The Investment Manager hosts regular investor forums for Shareholders and publishes quarterly factsheets, as well as information on new investments, on the Company's website.

Individual Shareholders are welcomed, when not prevented by temporary regulations, to the Annual General Meeting, where they have the opportunity to ask questions of the Directors, including the Chairs of the Board and the Company's committees. The Board may from time to time seek feedback through Shareholder questionnaires and there is an open invitation for Shareholders to meet the Investment Manager.
For more information on the Directors' relations with Shareholders please refer to the Section 172(1) statement in the Strategic Report on page 39.

Ernie Richardson
Chairman
17 August 2022

Directors' Remuneration Report

Introduction

The Board has prepared this report, in accordance with the requirements of Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditor, Deloitte LLP, to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in the Independent Auditor's Report.

Annual Statement from the Chairman of the Remuneration Committee

The Board, which is profiled on pages 44 and 45, consists solely of non-executive directors and considers at least annually the level of the Board's fees.

Consideration by the Directors of matters relating to Directors' remuneration

The Management Engagement and Remuneration Committee comprises all three Directors: Ernie Richardson (Chairman), Tim Dowlen and Carol Thompson.

The Management Engagement and Remuneration Committee has responsibility for reviewing the remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role, and meets at least annually.

The Management Engagement and Remuneration Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards and members have access to independent advice where they consider it appropriate. During the year neither the Board nor the Management Engagement and Remuneration Committee have been provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

The remuneration policy set by the Board is described below. Individual remuneration packages are determined by the Remuneration Committee within the framework of this policy.

No Director is involved in deciding their own remuneration.

Remuneration policy

The Board's policy is that the remuneration of non-executive Directors should reflect time spent and the responsibilities borne by the Directors on the Company's affairs and should be sufficient to enable candidates of high calibre to be recruited. The levels of Directors' fees paid by the Company for the year ended 31 March 2022 were agreed during the year.

It is considered appropriate that no aspect of Directors' remuneration should be performance related in light of the Directors' non-executive status, and Directors are not eligible for bonuses or other benefits.

The Company's policy is to pay the Directors monthly in arrears, to the Directors personally or to a third party as requested by any Director.

The above remuneration policy was last approved by Shareholders at the Annual General Meeting on 25 September 2021 and it is the intention of the Board that the above remuneration policy will, subject to shareholder approval, come into effect immediately following the Annual General Meeting of the Company on 27 September 2022. The Directors' Remuneration Policy is available to view by writing to the Company Secretary at the registered office.

Shareholders' views in respect of Directors' remuneration are communicated at the Company's Annual General Meeting and are taken into account in formulating the Directors' remuneration policy. At the last Annual General Meeting 95% of shareholders voted for the resolution approving the Directors' Remuneration Report, showing significant shareholder support.

Retirement by rotation

All Directors retire and may offer themselves for re-election every year.

Details of individual emoluments and compensation

The emoluments in respect of qualifying services and compensation of each person who served as a Director during the year are as shown on page 56. No Director has waived or agreed to waive any emoluments from the Company in the current year.

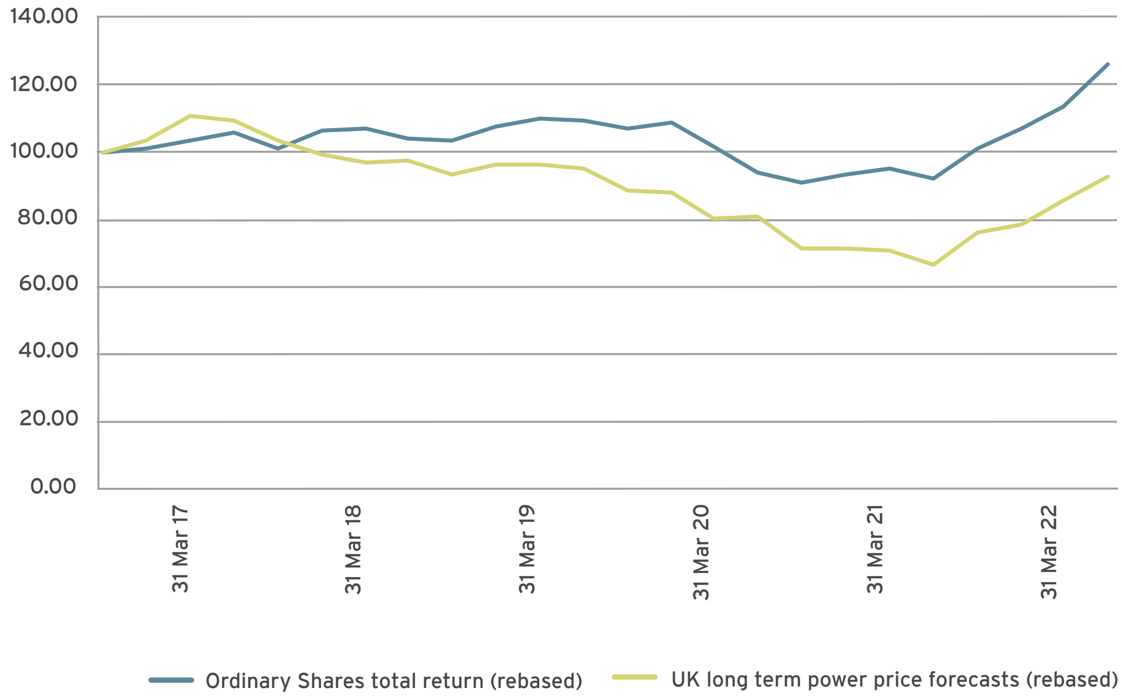
No other remuneration was paid or payable by the Company during the year nor were any expenses claimed or paid to them other than for expenses incurred wholly, necessarily and exclusively in furtherance of their duties as Directors of the Company.

Director liability insurance is held by the Company in respect of the Directors.

Total shareholder return

The graph on the following page charts the total shareholder return for the Ordinary Share class to 31 March 2022, on the hypothetical value of £100, invested on 1 April 2017. The total return is compared to the UK long term power price forecasts (rebased), which is considered by the Board an appropriate external indicator against which to measure the performance of the Ordinary Shares.

Foresight Solar & Technology VCT plc - Ordinary Shares total returns and UK long term power price forecasts (rebased)



Directors

The Directors who held office during the year and their interests in the issued shares of 1p each of the Company were as follows:

	31 March 2022		31 March 2021	
	Ordinary Shares	**FWT Shares**	Ordinary Shares	FWT Shares
Ernie Richardson	—	40,000	—	40,000
Tim Dowlen	29,558	25,906	29,558	—
Carol Thompson	—	—	—	—
Total	29,558	65,906	29,558	40,000

All the Directors' share interests shown above were held beneficially.

In accordance with the UK Corporate Governance Code and the Board's policy, Mr Richardson, Mr Dowlen and Ms Thompson retire annually and, being eligible, offer themselves up for re-election. Biographical notes on the Directors are given on pages 44 and 45. The Board believes that Mr Richardson's, Mr Dowlen's and Ms Thompson's skills, experience and knowledge continue to complement each other and add value to the Company and recommends their re-election to the Board. None of the directors has a contract of service with the Company.

Directors' Remuneration Report

	Audited Directors' fees year ended 31 March 2022 (£)	Audited Directors' fees year ended 31 March 2021 (£)
Ernie Richardson	28,250	28,250
Tim Dowlen	22,500	22,500
Carol Thompson	22,500	692
Mike Liston (resigned on 3 February 2021)	–	19,010
Total	73,250	70,452

The Directors are not eligible for pension benefits, share options, long-term incentive schemes, taxable benefits, annual incentives or clawback.

Votes cast for and against the Directors' Remuneration Report for the year ended 31 March 2021

Shares and Percentage of votes cast For	Shares and Percentage of votes cast Against
94.7%	5.3%
1,710,099 votes	95,573 votes

In accordance with new Companies Act 2006 legislation the table below sets out the relative importance of spend on pay when compared to distributions to shareholders in the form of dividends and share buybacks.

	Year ended 31 March 2022	Year ended 31 March 2021
Dividends	–	£709,000
Share buybacks	£404,000	£243,000
Total Shareholder distributions	£404,000	£952,000
Directors fees	£73,250	£70,452
Directors fees % of Shareholder distributions	18.2%	7.4%

Approval of report

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to shareholders at the forthcoming Annual General Meeting. In addition to this, Resolution 2, which is seeking shareholder approval for the Directors Remuneration Policy, will, if approved, take effect from the AGM and will be valid for a period of three years unless renewed, varied or revoked by the Company at a general meeting.

This Directors' Remuneration Report was approved by the Board on 17 August 2022 and is signed on its behalf by Ernie Richardson (Chairman).

On behalf of the Board

Ernie Richardson
Chairman
17 August 2022

Audit Commitee Report

The Audit Committee has identified and considered the following key areas of risk in relation to the business activities and financial statements of the company:

- Valuation and existence of unquoted investments; and
- Compliance with HM Revenue & Customs conditions for maintenance of approved Venture Capital Trust Status.

These issues were discussed with the Investment Manager and the auditor at the conclusion of the audit of the financial statements, as explained below:

Valuation of unquoted investments

The Directors have met quarterly to assess the appropriateness of the estimates and judgements made by the Investment Manager in the investment valuations. As a Venture Capital Trust the Company's investments are predominantly in unlisted securities, which can be difficult to value and requires the application of skill, knowledge and judgement by the Board and Audit Committee. During the valuation process the Board and Audit Committee and the Investment Manager follow the valuation methodologies for unlisted investments as set out in the International Private Equity and Venture Capital Valuation guidelines and appropriate industry valuation benchmarks. These valuation policies are set out in Note 1 of the accounts. These were then further reviewed by the Audit Committee. The Investment Manager confirmed to the Audit Committee that the investment valuations had been calculated consistently with prior periods and in accordance with published industry guidelines, taking account of the latest available information about portfolio companies and current market data. Furthermore, the Investment Manager held discussions regarding the investment valuations with the auditor.

Venture Capital Trust status

Maintaining venture capital trust status and adhering to the VCT Rules is critical to both the Company and its shareholders for them to retain their VCT tax benefits.

The Investment Manager confirmed to the Audit Committee that the conditions for maintaining the Company's status as an approved venture capital trust had been met throughout the year.

The Investment Manager obtains legal advice from RW Blears LLP and reviews the Company's qualifying status in advance of realisations being made and throughout the year. The Audit Committee is in regular contact with the Investment Manager and any potential issues with Venture Capital Trust Status would be discussed at or between formal meetings. In addition, an external third party review of Venture Capital Trust Status is conducted by RW Blears LLP on a quarterly basis and this is reported to both the Board and Audit Committee and the Investment Manager.

The Investment Manager confirmed to the Audit Committee that they were not aware of any material misstatements. Having reviewed the reports received from the Investment Manager and RW Blears LLP, the Audit Committee is satisfied that the key areas of risk and judgement have been addressed appropriately in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust.

Auditor assessment

The Investment Manager and auditor confirmed to the Audit Committee that they were not aware of any material misstatements. Having reviewed the reports received from the Investment Manager and auditor, the Audit Committee is satisfied that the key areas of risk and judgement have been addressed appropriately in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust. The Audit Committee considers that Deloitte LLP has carried out its duties as auditor in a diligent and professional manner. During the year, the Audit Committee assessed the effectiveness of the current external audit process by assessing and discussing specific audit documentation presented to it in accordance with guidance issued by the Auditing Practices Board. The audit partner is rotated every five years ensuring that objectivity and independence is not impaired.

The current audit partner, Chris Hunter, assumed responsibility for the audit in 2021. Deloitte LLP was appointed as auditor on 8 January 2021. No tender for the audit of the Company has been undertaken since this date and the Audit Committee does not intend to put the audit out to tender during the current financial year. As part of its review of the continuing appointment of the auditors, the Audit Committee considers the need to put the audit out to tender, its fees and independence from the Investment Manager along with any matters raised during each audit. Deloitte LLP is not engaged for non-audit services.

The Audit Committee considered the performance of the auditor during the year and agreed that Deloitte LLP provided a high level of service and maintained a good knowledge of the venture capital trust market, making sure audit quality continued to be maintained.

The Audit Committee met in July 2021 to review the annual audited accounts for the year ended 31 March 2021 and the Company's risk register, in December 2021 to review the interim report and the Company's risk register, and in July 2022 to review the Annual Report and Accounts for the year ended 31 March 2022.No other significant items were noted during the year.

Carol Thompson
Audit Committee Chair
17 August 2022

Statement of Directors' Responsibilities

Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards including FRS 102, *the Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' Report and the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Ernie Richardson
Chairman
17 August 2022

Income Statement

for the year ended 31 March 2022

	Ordinary Shares			FWT Shares		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding gains	—	14,323	14,323	—	643	643
Realised losses on investments	—	(1,121)	(1,121)	—	—	—
Income	901	—	901	1	—	1
Investment management fees	(107)	(320)	(427)	(66)	(199)	(265)
Other expenses	(332)	—	(332)	(129)	—	(129)
Profit/(loss) before taxation	462	12,882	13,344	(194)	444	250
Taxation	—	—	—	—	—	—
Profit/(loss) after taxation	**462**	**12,882**	**13,344**	**(194)**	**444**	**250**
Profit/(loss) per share	**1.3p**	**37.0p**	**38.3p**	**(1.4)p**	**3.2p**	**1.8p**

Balance Sheet

at 31 March 2022

	Ordinary Shares £'000	FWT Shares £'000
Fixed assets		
Investments held at fair value through profit and loss	37,035	9,196
Current assets		
Debtors	355	300
Money market securities and other deposits		
Cash and cash equivalents	60	7,154
	415	7,454
Creditors		
Amounts falling due within one year	(339)	(28)
Net current assets	76	7,426
Net assets	37,111	16,622
Capital and reserves:		
Called-up share capital	346	171
Share premium	—	13,998
Capital redemption reserve	208	—
Distributable reserve	36,046	2,066
Capital reserve	(13,951)	(256)
Revaluation reserve	14,462	643
Equity shareholders' funds	37,111	16,622
Net asset value per share	107.3p	97.4p

At 31 March 2022 there was an inter-share debtor/creditor of £213,000 which has been eliminated on aggregation.

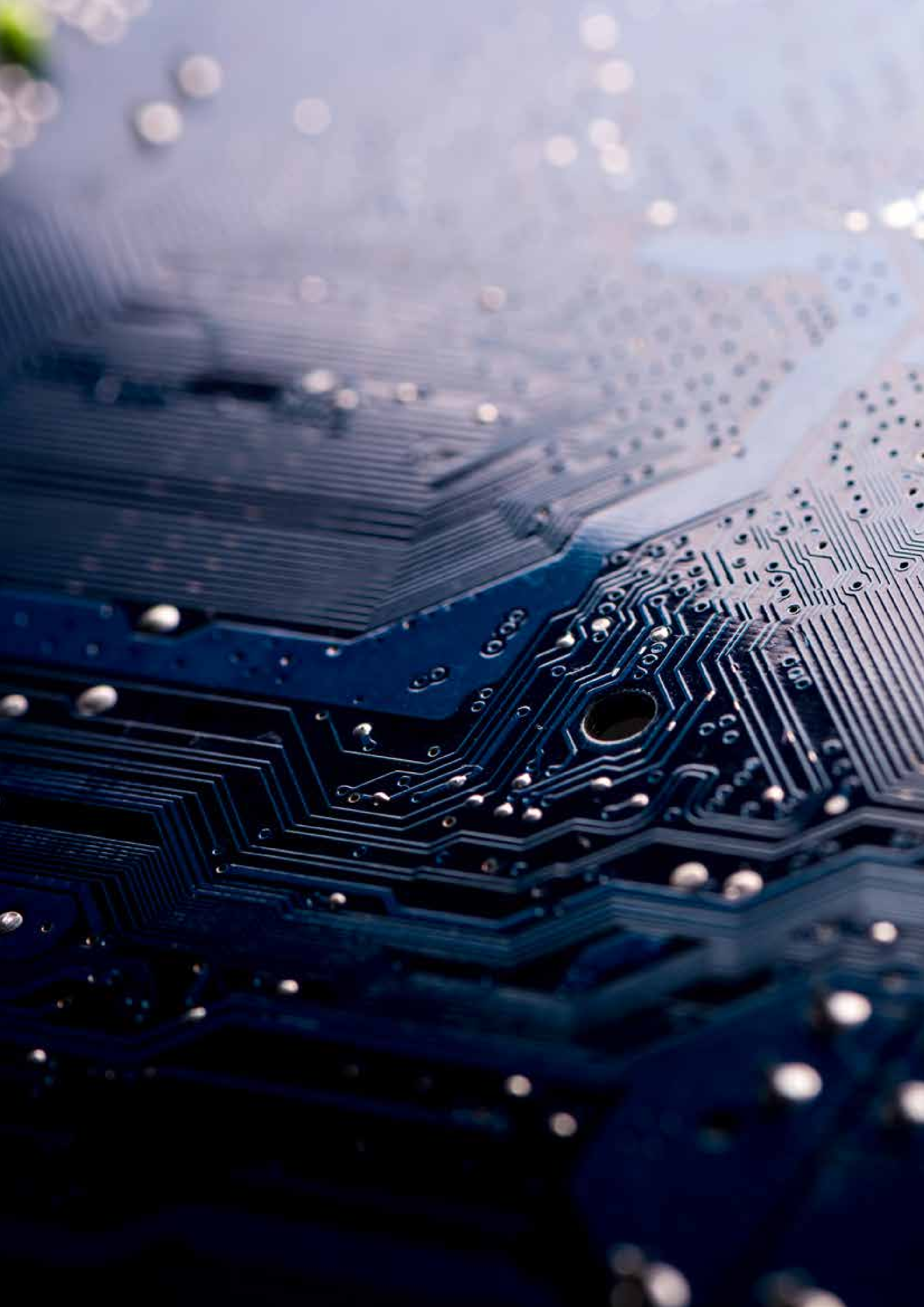
UNAUDITED NON-STATUTORY ANALYSIS OF THE SHARE CLASSES

Reconciliations of Movements in Shareholders' Funds

for the year ended 31 March 2022

Ordinary Shares	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 April 2021	351	—	203	35,995	(12,510)	139	24,178
Expenses in relation to prior year share issues	—	—	—	(7)	—	—	(7)
Repurchase of shares	(5)	—	5	(404)	—	—	(404)
Realised losses on disposal of investments	—	—	—	—	(1,121)	—	(1,121)
Investment holding gains	—	—	—	—	—	14,323	14,323
Management fees charged to capital	—	—	—	—	(320)	—	(320)
Revenue profit for the year	—	—	—	462	—	—	462
As at 31 March 2022	346	—	208	36,046	(13,951)	14,462	37,111

FWT Shares	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 April 2021	100	7,515	—	2,260	(57)	—	9,818
Share issues in the year	71	6,682	—	—	—	—	6,753
Expenses in relation to share issues	—	(194)	—	—	—	—	(194)
Expenses in relation to prior year share issues	—	(5)	—	—	—	—	(5)
Investment holding gains	—	—	—	—	—	643	643
Management fees charged to capital	—	—	—	—	(199)	—	(199)
Revenue loss for the year	—	—	—	(194)	—	—	(194)
As at 31 March 2022	171	13,998	—	2,066	(256)	643	16,622



Auditor's Report

Report on the audit of the Financial Statements

1. Opinion

In our opinion the Financial Statements of Foresight Solar & Technology VCT PLC (the Company):

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Income Statement;
- the Reconciliation of Movement in Shareholders' Funds;
- the Balance Sheet;
- the Cash Flow Statement; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the valuation of solar assets and unquoted investments.
Materiality	The materiality that we used in the current year was £1,074,000 (2021: £339,000), which was determined on the basis of 2% (2021: 1%) of the net asset value of the Company at year end.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the engagement team.

3. Summary of our audit approach (continued)

Significant changes in our approach	IIn the prior year materiality was based on 1% of net assets due to our first-year appointment as auditors. The current year materiality is based on 2% of the Company's net asset value. We have revised the percentage applied to the benchmark in the current year to align with the percentage we would apply to similar entities in this sector.

4. Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the nature of the Company, its business model and related risks including where relevant the impact of the COVID-19 pandemic, the impact of the Ukraine/Russia conflict and global economic outlook, the requirements of the applicable financial reporting framework and the system of internal control.
- Evaluating the Director's assessment of the Company's ability to continue as a going concern including challenging the underlying data and key assumptions used to make the assessment, including planned investment realisations, through review of forecasted cash flows and the impact of external market forces, and evaluating the Directors' plans for future actions in relation to their going concern assessment; and
- Assessing the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In relation to the reporting on how the Company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Auditor's Report

5.1. Valuation of unquoted investments

Key audit matter description	The valuation of the solar assets and technology investments held by the Company, due to materiality in the context of the financial statements as a whole, is considered to be one of the areas which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit. The investment portfolio of £46,231,000 (2021: £25,352,000) is valued in line with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. The movement since the prior year is largely attributed to an unrealised revaluation gain of £14,966,000. Within the portfolio, investments of £37,035,000 (2021: £23,911,000) are held in solar assets, which are valued using a discounted cash flow methodology as no liquid market exists. The complexity of this methodology, as well as the significant judgements around factors including discount rate, useful economic lives and power prices, means that there is a risk that the fair value of these investments, either through error or manipulation, is not appropriate. The unquoted investments balance totals £9,196,000 (2021: £1,441,000). There is a degree of management judgement required in the valuation of these unquoted investments. There is therefore a key audit matter over the valuation of these unquoted technology investments as these could be incorrectly recorded through error or manipulation. Refer to note 1b to the financial statements for the accounting policy on solar assets and unquoted investments and details of the investments are disclosed in note 8 to the financial statements. Critical accounting judgement and key sources of estimation uncertainty are disclosed in note 1f to the Financial Statements. The valuation of investment risk is included within the Audit Committee report on page 57.
How the scope of our audit responded to the key audit matter	Our testing over both asset types included: - Obtaining an understanding of the relevant controls in place over the valuation process adopted by management and the Board; and - Assessing whether the valuation models, methods and assumptions adopted by management and the Board are appropriate and in line with the IPEVCV Guidelines; Together with our valuation specialists, our testing over the solar assets included: - Challenging management concerning the discount rates applied to individual investments and each sector, by comparing to relevant peers and recent market transactions; - Challenging assumptions such as assumed power prices and useful economic lives of the assets by referencing to available market data and forecasts; and - Assessing the historical accuracy of management's cash flow forecasts used in the discounted cash flow models against actual results. Our testing over the unquoted technology investments included: - Testing 100% of unquoted investment additions made during the year, agreeing against investment agreements and other supporting documentation such as Companies House filings; - Assessing the investee company's performance against development milestones and business plan, including assessment of the investment papers, investees' latest management accounts for any indications of a potential change in fair value since the time of acquisition; and - Assessing whether any critical judgements or sources of estimation uncertainty were applied and appropriately disclosed.
Key observations	Based on our testing, we concluded that the valuation of the solar assets and unquoted investments is reasonable.

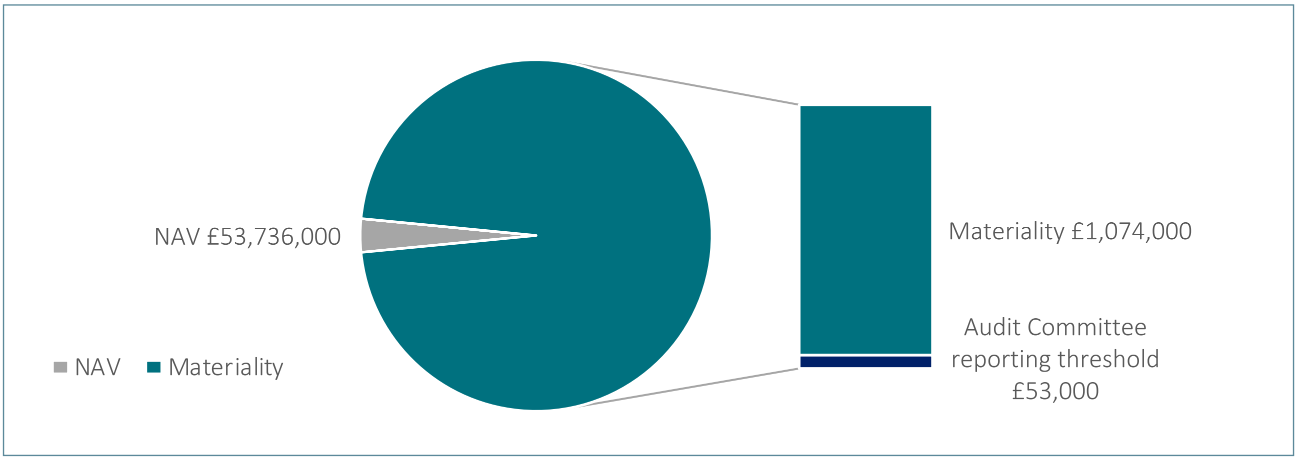
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

Materiality	£1,074,000 (2021: £339,000)
Basis for determining materiality	2% of net asset value (2021: 1% of net assets)
Rationale for the benchmark applied	Net asset value is the primary measure used by the Shareholders in assessing the performance of the Company as an investment entity.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial Statements as a whole. Performance materiality was set at 70% of materiality for the 2022 audit (2021: 60%). In determining performance materiality and the applied increase since prior year, we considered the knowledge gained since the prior year audit, the quality of the control environment and the low level of errors identified in the prior year audit.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £53,000 (2021: £16,950), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

Auditor's Report

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

Investment management and accounting and reporting operations are undertaken by the Manager. We have obtained an understanding of the Manager's systems of internal controls and considered in our risk assessment the overall control environment. As part of this, we adopted a controls reliance approach with respect to revenue.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Company's business and its financial statements. The Company continues to develop its assessment of the potential impacts of environmental, social and governance ("ESG") related risks, including climate change, as outlined on page 24. As a part of our audit, we held discussions to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Company's financial statements. We performed our own qualitative risk assessment of the potential impact of climate change on the Company's account balances and classes of transactions and did not identify any additional risks of material misstatement.

We also read the climate related disclosures on page 24 to consider whether they are materially consistent with the financial statements and the knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax and valuations specialists, regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: valuation of solar assets and unquoted investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act and Listing Rules.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's compliance with VCT regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of solar assets and unquoted investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management, the Audit Committee and external legal counsel concerning actual and potential litigation and claims;

11.2. Audit response to risks identified (continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC and the FCA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 48;
- the Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 41;
- the Directors' statement on fair, balanced and understandable set out on page 58;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 40;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 51; and
- the section describing the work of the Audit Committee set out on page 51.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 8th January 2021 to audit the Financial Statements for the year ending 31 March 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 2 years, covering the year ended 31 March 2022.

15.2 Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Hunter, CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom
17 August 2022

Income Statement

for the year ended 31 March 2022

	Notes	Year ended 31 March 2022 Revenue £'000	Year ended 31 March 2022 Capital £'000	Year ended 31 March 2022 Total £'000	Year ended 31 March 2021 Revenue £'000	Year ended 31 March 2021 Capital £'000	Year ended 31 March 2021 Total £'000
Investment holding gains/(losses)	8	—	14,966	14,966	—	(17,500)	(17,500)
Realised losses on investments	8	—	(1,121)	(1,121)	—	—	—
Income	2	902	—	902	17,667	—	17,667
Investment management fees	3	(173)	(519)	(692)	(114)	(340)	(454)
Interest payable		—	—	—	(71)	—	(71)
Other expenses	4	(461)	—	(461)	(478)	—	(478)
Profit/(loss) before taxation		268	13,326	13,594	17,004	(17,840)	(836)
Taxation	5	—	—	—	—	—	—
Profit/(loss) after taxation		268	13,326	13,594	17,004	(17,840)	(836)
Profit/(loss) per share:							
Ordinary Share	7	1.3p	37.0p	38.3p	48.4p	(50.2)p	(1.8)p
FWT Share	7	(1.4)p	3.2p	1.8p	(3.5)p	(1.5)p	(5.0)p

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

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

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

The notes on pages 74 to 91 form part of these Financial Statements.

Reconciliation of Movements in Shareholders' Funds

Year ended 31 March 2022	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve* £'000	Capital reserve* £'000	Revaluation reserve £'000	Total £'000
As at 1 April 2021	451	7,515	203	38,255	(12,567)	139	33,996
Share issues in the year	71	6,682	—	—	—	—	6,753
Repurchase of shares	(5)	—	5	(404)	—	—	(404)
Expenses in relation to share issues	—	(194)	—	—	—	—	(194)
Expenses in relation to prior year share issues	—	(5)	—	(7)	—	—	(12)
Realised losses on disposal of investments	—	—	—	—	(1,121)	—	(1,121)
Investment holding gains	—	—	—	—	—	14,966	14,966
Management fees charged to capital	—	—	—	—	(519)	—	(519)
Revenue profit for the year	—	—	—	268	—	—	268
As at 31 March 2022	517	13,998	208	38,112	(14,207)	15,105	53,733

Year ended 31 March 2021	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve* £'000	Capital reserve* £'000	Revaluation reserve £'000	Total £'000
As at 1 April 2020	365	8,101	200	12,845	(12,227)	17,639	26,923
Share issues in the year	89	9,062	—	—	—	—	9,151
Expenses in relation to share issues	—	(277)	—	—	—	—	(277)
Expenses in relation to prior year share issues	—	(8)	—	(5)	—	—	(13)
Repurchase of shares	(3)	—	3	(243)	—	—	(243)
Cancellation of share premium	—	(9,363)	—	9,363	—	—	—
Investment holding losses	—	—	—	—	—	(17,500)	(17,500)
Dividends paid	—	—	—	(709)	—	—	(709)
Management fees charged to capital	—	—	—	—	(340)	—	(340)
Revenue profit for the year	—	—	—	17,004	—	—	17,004
As at 31 March 2021	451	7,515	203	38,255	(12,567)	139	33,996

The notes on pages 74 to 91 form part of these Financial Statements

* Total distributable reserves at 31 March 2022 were £23,905,000 (2021: £25,688,000).

Financial Statements

Balance Sheet

at 31 March 2022

Registered Number: 07289280

	Notes	As at 31 March 2022 £'000	As at 31 March 2021 £'000
Fixed assets			
Investments held at fair value through profit and loss	8	**46,231**	25,352
Current assets			
Debtors	9	**442**	1,057
Cash		**7,214**	8,076
		7,656	9,133
Creditors			
Amounts falling due within one year	10	**(154)**	(489)
Net current assets		**7,502**	8,644
Net assets		**53,733**	33,996
Capital and reserves			
Called-up share capital	11	**517**	451
Share premium		**13,998**	7,515
Capital redemption reserve		**208**	203
Distributable reserve		**38,112**	38,255
Capital reserve		**(14,207)**	(12,567)
Revaluation reserve		**15,105**	139
Equity shareholders' funds		**53,733**	33,996
Net asset value per share			
Ordinary Share	12	**107.3p**	68.9p
FWT Share	12	**97.4p**	98.0p

The accounts on pages 70 to 91 were approved by the Board of Directors and authorised for issue on 17 August 2022 and were signed on its behalf by:

Ernie Richardson
Chairman
17 August 2022

The notes on pages 74 to 91 form part of these Financial Statements.

Cash Flow Statement

for the year ended 31 March 2022

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Cash flow from operating activities		
Deposit and similar interest received	**1**	1
Investment management fees paid	**(676)**	(435)
Secretarial fees paid	**(168)**	(172)
Other cash (payments)/receipts	**(230)**	43
Net cash outflow from operating activities	**(1,073)**	(563)
Cash flow from investing activities		
Purchase of investments	**(6,361)**	(1,441)
Investments pending completion	**—**	(796)
Net proceeds on sale of investments	**110**	759
Investment income received	**361**	406
Net cash outflow from investing activities	**(5,890)**	(1,072)
Cash flow from financing activities		
Proceeds of fund raising	**6,699**	9,065
Expenses of fund raising	**(194)**	(204)
Repurchase of own shares	**(404)**	(243)
Equity dividends paid	**—**	(709)
Net cash inflow from financing activities	**6,101**	7,909
Net (outflow)/inflow of cash in the year	**(862)**	6,274
Reconciliation of net cash flow to movement in net funds		
(Decrease)/Increase in cash for the year	**(862)**	6,274
Net cash at start of year	**8,076**	1,802
Net cash at end of year	**7,214**	8,076

Analysis of changes in net debt	At 1 April 2021 £'000	Cash Flows £'000	Other non-cash changes £'000	**At 31 March 2022 £'000**
Cash and cash equivalents				
Cash	8,076	(862)	—	7,214

The notes on pages 74 to 91 form part of these financial statements.

Financial Statements

Notes to the Accounts

for the year ended 31 March 2022

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, are set out below:

a) Basis of accounting

The financial statements have been prepared under the Companies Act 2006, and in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice (SORP): Financial Statements of Investment Trust Companies and Venture Capital Trusts issued in November 2014 and updated in April 2021.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments.

The Company presents its Income Statement in a three column format to give shareholders additional detail of the performance of the Company split between items of a revenue or capital nature.

As permitted by FRS 102, paragraph 14.4, investments are held as part of an investment portfolio, and their value to the Company is through their marketable value as part of a portfolio of investments, rather than as a medium through which the Company carries out its business. Therefore, the investments are not recognised as consolidated subsidiaries or associated undertakings, but are held at fair value through profit or loss.

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. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are referred to in the Chairman's Statement, Strategic Report and Notes to the Accounts. In addition, the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has sufficient 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 able to manage its business risks.

Cash flow projections have been reviewed and show that the Company has sufficient funds to meet both its contracted expenditure and its discretionary cash outflows in the form of share buy backs and dividends. The Company has no external loan finance in place and therefore is not exposed to any gearing covenants, although its underlying investments may have external loan finance.

The Directors have given due consideration to the impact of COVID-19 and Russia's invasion of Ukraine on the business, as set out in the Strategic Report and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of signing of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign Currencies

The Company's financial statements are presented in Pounds Sterling, which is also the Company's functional currency.

b) Assets held at fair value through profit or loss – investments

All investments held by the Company are classified as "fair value through profit or loss". The Board values investments in accordance with the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines, as updated in December 2018 with further COVID-19 guidance issued in March 2020.

This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

Purchases and sales of unquoted investments are recognised when the contract for acquisition or sale becomes unconditional.

1 b) Assets held at fair value through profit or loss – investments (continued)

All unquoted investments are initially held at cost for an appropriate period where there is considered to have been no change in fair value. Where such a basis is no longer appropriate, unquoted investments are stated at fair value in accordance with the following rules which are consistent with the IPEV Valuation guidelines. Expenses incurred directly in relation to the acquisition of an asset will be capitalised, and thus added to the cost of the asset, as they are incurred.

The Company has direct investments in a number of portfolio companies ("portfolio companies"). The fair values of the portfolio companies are determined as the fair value of their net assets. The fair value of the underlying solar project investments held by the portfolio companies, or their wholly owned subsidiaries, which impact the value of the portfolio companies' net assets, are determined by using discounted cash flow valuation techniques or expected sales proceeds. The Directors base the fair value of the investments on information received from the Investment Manager. The Investment Manager's assessment of fair value of investments is determined in accordance with IPEV Valuation Guidelines. This relies on inputs relating to power price; Renewable Obligation Certificates ("ROCs") and Purchase Price Agreements ("PPA"); the output of the asset (including assumptions such as solar irradiation and technological performance of the asset); operating, maintenance and lease costs; tax; discount and inflation rates as applied to the cash flows; and the duration of the useful life of the asset; as well as maintainable earnings, comparable multiples and discounts for the FWT Shares investments.

Gains or losses on movement in fair value of the investments is recognised in the Income Statement. Investments are derecognised when the risks and rewards of ownership are deemed to have transferred to a third party. Upon realisation, the gain or loss on disposal is recognised in the Income Statement.

c) Income

Dividends receivable on unquoted equity shares are brought into account when the Company's rights to receive payment are established and there is no reasonable doubt that payment will be received. Loan interest income is calculated using the effective interest method and recognised on an accruals basis. Other income such as deposit interest is included on an accruals basis.

d) Expenses

All expenses (inclusive of VAT), including loan interest payable, are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement, with the exception that 75% of the management fees payable to Foresight Group and 100% of any performance incentive fees payable to Foresight Group are allocated against the capital column of the Income Statement. The basis of the allocation of management fees is expected to reflect the revenue and capital split of long-term returns in the portfolio.

e) Share based payments

The performance incentive fee (classified as a share based payment) may be satisfied by either a cash payment or the issue of Ordinary Shares (or by a combination of both) ultimately at the discretion of the Investment Manager, and therefore falls within the definition of a share-based payment under FRS 102.26. As the Investment Manager has the choice of settlement, the arrangement is accounted for as a cash-settled transaction.

The fair value of the amount payable to the Investment Manager is recognised as an expense, with a corresponding increase in liabilities, over the vesting period.

The Board determines the fair value at each reporting date based on the amount of cash expected to be paid under the performance related incentive fee arrangement over the vesting period. This amount is not recognised until it is considered more likely than not that the performance condition will be met (delivery of the specified financial performance to exceed the hurdle rate during the vesting period). The vesting period is not fixed and is estimated as the period required to meet the performance condition. It is based on an estimate of the period required to meet future performance of the fund and future distributions.

The liability is remeasured at each balance sheet date and at settlement date. To the extent not paid, any changes in the fair value of the liability are recognised as a performance incentive fee in profit or loss over the vesting period.

f) Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires the Board to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Notes to the Accounts

for the year ended 31 March 2022

1 Accounting policies (continued)

f) Critical accounting judgments and key sources of estimation uncertainty (continued)

The Board considers that the only area where the Investment Manager makes critical estimates and assumptions that may have a significant effect on the financial statements relates to the fair valuation of unquoted investments and the fair valuation of share-based payments, which are based on historical experience and other factors that are considered reasonable under the circumstances. Actual results may differ from these estimates and the underlying assumptions are reviewed on an ongoing basis.

The Board considers that the fair value of investments not quoted in an active market involves critical accounting estimates and assumptions because they are determined by the Investment Manager, using valuation methods and techniques generally recognised as standard within the industry. Valuations use observable data to the extent practicable. However, they also rely on significant unobservable inputs about the output of the solar asset (including assumptions such as solar irradiation and technological performance of the asset), power prices, operating costs, discount and inflation rates applied to the cash flows, and the duration of the useful economic life of the solar asset, as well as maintainable earnings, comparable multiples and discounts for the FWT Shares investments. Furthermore, changes in these inputs and assumptions could affect the reported fair value of unquoted investments. The determination of what constitutes 'observable' requires significant judgement by the Investment Manager. Consideration has also been given to the impact of COVID-19 on the valuations and the recent IPEV valuation guidance released in March 2020 has been followed. For more information, please refer to Note 1b). The Investment Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Sensitivity analysis is performed on the portfolio as a whole and for more detail on this please refer to note 15.

The Board considers that there is a significant judgement involving an estimate regarding the assessment of the probability of achieving the hurdle which would trigger the payment of the performance related incentive fees due to the Investment Manager. A performance related incentive fee will be payable if the fund achieves the performance condition (delivery of the specified financial performance to exceed the hurdle rate during the vesting period). This was not exceeded during the year.

The Board considers a number of factors and assumptions when assessing the probability of achieving the hurdle during the vesting period, including the current and projected NAV of the company, the distributions made to date, uncertainty around future returns and future expected distributions. Judgement is also exercised in determining the appropriate vesting period, being the period required to meet the performance condition. It is based on an estimate of the future performance of the fund and future distributions and the projected period to elapse before the distributions exceed the hurdle with respect to the performance related incentive fee.

g) Basic financial instruments

During the year the Company held trade and other debtors, trade and other creditors, and cash and cash equivalents balances.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors (including long term borrowings) are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and other equivalent assets classified as cash due to insignificant risk of valuation movements.

h) Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments include investments held at fair value through profit and loss and are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

i) Taxation

The Company is currently registered in the United Kingdom. The Company is taxed at 19% which is the general rate of corporation tax in the United Kingdom. However due to the Company's status as a Venture Capital Trust and the continued intention to meet the conditions required to comply with Part 6 of the Income Tax Act 2007, no provision for

i) Taxation (continued)

taxation is required in respect of any realised or unrealised appreciation of the Company's investments which arise. Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital column of the Income Statement and a corresponding amount is charged against the revenue column. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

j) Deferred taxation

Provision is made for corporation tax at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date on the excess of taxable income over allowable expenses. A provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes.

A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset. It is considered too uncertain that this will occur and, therefore, no deferred tax asset has been recognised.

k) Capital reserves

The capital and revenue reserves are made up of the following accounts:
(i) Capital reserve
The following are accounted for in this reserve:
- Gains and losses on realisation of investments;
- Permanent diminution in value of investments;
- 75% of management fee expense and 100% of any performance incentive expense, together with the related tax effect to this reserve in accordance with the policies; and
- Income and costs for the year (capital items).

(ii) Revaluation reserve (unrealised capital reserve)
Increases and decreases in the valuation of investments held at the year-end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

(iii) Distributable reserve
The following are accounted for in this reserve:
- Repurchase of shares;
- Cancellation of share premium;
- Dividends paid; and
- Income and costs for the year (revenue items).

In accordance with stating all investments at fair value through profit and loss, all such movements through both revaluation and realised capital reserves are shown within the Income Statement for the year.

2 Income

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Dividends received	**484**	233
Loan stock interest	**417**	442
Bank interest	**1**	1
Release of loans payable*	**—**	16,991
	902	17,667

*Release of loans payable in the prior year relates to the release of the Company's loan liability from its wholly owned subsidiary, Youtan Limited and associated accrued interest. The release had an equal and opposite effect on the carrying value of Investments, resulting in a nil impact for the NAV of the Company.

Notes to the Accounts

for the year ended 31 March 2022

3 Investment management fees

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Investment management fees charged to the capital account	519	340
Investment management fees charged to the revenue account	173	114
	692	454

The Investment Manager advises the Company on investments in qualifying companies under an agreement dated 31 August 2010 (as novated to the Investment Manager and amended on 27 January 2020), and receives management fees, paid quarterly in advance, of 1.5% of Ordinary Share net assets, and 2% of FWT Share net assets. If the annual expenses of the Company exceed 3.6% of the Company's total assets less current liabilities, the Company is entitled to reduce the fees paid to the Investment Manager by the amount of the excess. This agreement may be terminated by either party giving to the other not less than twelve months' notice, at any time after the third anniversary being 27 January 2023.

Management fees are calculated on the most recently announced net assets and payable quarterly in advance. Supplemental management fees are paid in relation to funds raised during the quarter.

No performance incentive fee was accrued in the year (2021: none). See note 13 for further information.

4 Other expenses

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Secretarial services (excluding VAT)	169	169
Directors' remuneration including employer's National Insurance contributions	76	72
Auditor's remuneration excluding VAT[1]	70	67
Other	146	170
	461	478

[1]There were no non-audit fees paid to the Company's auditor during the year (2021: nil). The auditor remuneration is for the audit of the annual financial statements.

The Company has no employees other than the Directors.

5 Taxation

a) Analysis of charge in the year:

	Year ended 31 March 2022			Year ended 31 March 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Corporation tax	—	—	—	—	—	—
Total tax for the year	—	—	—	—	—	—

5 Taxation (continued)

b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Profit/(loss) before taxation	13,594	(836)
Corporation tax at 19%	2,583	(159)
Effect of:		
Non taxable dividend income	(92)	(44)
Other non taxable income	—	(3,228)
Realised capital losses not deductible	213	—
Unrealised capital (gains)/losses not taxable	(2,844)	3,325
Unutilised management expenses	140	106
Total tax charge for the year	—	—

As a qualifying VCT the Company is exempt from tax on capital gains; therefore, no provision for deferred tax has been recognised in respect of any capital gains or losses arising on the revaluation or disposal of investments.

The Company has not recognised an estimated deferred tax asset of £1,608,000 (2021: £1,474,000) arising as a result of unutilised excess management expenses, due to uncertainty about the availability of future taxable profits to offset the losses against.

6 Dividends

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Ordinary Shares		
Dividends - paid in the year - nil per share (2021: 2p)	—	709
FWT Shares		
Dividends - paid in the year - nil per share (2021: nil)	—	—

The Board is not recommending a final dividend on the Ordinary Shares Fund or FWT Shares Fund for the year ended 31 March 2022.

Set out above are the total dividends payable in respect of the financial year, which is the basis on which the requirements of section 274 of The Income Tax Act 2007 are considered.

As at 31 March 2022, reserves available for dividend distribution were £23,905,000 (2021: £25,688,000) comprising the capital and distributable reserves.

In accordance with s529 of the Income Tax Act 2007, a venture Capital Trust may not retain more than 15% of its qualifying income in any accounting period.

Notes to the Accounts

for the year ended 31 March 2022

7 Return per share

	Year ended 31 March 2022		Year ended 31 March 2021	
	Ordinary Shares £'000	FWT shares £'000	Ordinary Shares £'000	FWT Shares £'000
Total profit/(loss) after taxation	**13,344**	**250**	(645)	(191)
Total profit/(loss) per share (note a)	**38.3p**	**1.8p**	(1.8)p	(5.0)p
Revenue profit/(loss) from ordinary activities after taxation	**462**	**(194)**	17,139	(135)
Revenue profit/(loss) per share (note b)	**1.3p**	**(1.4)p**	48.4p	(3.5)p
Capital gain/(loss) from ordinary activities after taxation	**12,882**	**444**	(17,784)	(56)
Capital gain/(loss) per share (note c)	**37.0p**	**3.2p**	(50.2)p	(1.5)p
Weighted average number of shares in issue during the year	**34,850,621**	**13,566,526**	35,414,680	3,831,368

Notes:
a) Total profit/(loss) per share is total profit/(loss) after taxation divided by the weighted average number of shares in issue during the year.
b) Revenue profit/(loss) per share is revenue profit/(loss) after taxation divided by the weighted average number of shares in issue during the year.
c) Capital gain/(loss) per share is capital gain/(loss) after taxation divided by the weighted average number of shares in issue during the year.

8 Investments held at fair value through profit or loss

	2022 £'000	2021 £'000
Unquoted investments	46,231	25,352

	Ordinary Shares Fund £'000	FWT Shares Fund £'000	Company £'000
Book cost at 1 April 2021	23,772	1,441	25,213
Investment holding gains	139	—	139
Valuation at 1 April 2021	23,911	1,441	25,352
Movements in the period:			
Purchases at cost*	45	7,112	7,157
Disposal proceeds	(123)	—	(123)
Realised losses	(1,121)	—	(1,121)
Investment holding gains	14,323	643	14,966
Valuation at 31 March 2022	**37,035**	**9,196**	**46,231**
Book cost at 31 March 2022	22,573	8,553	31,126
Investment holding gains	14,462	643	15,105
Valuation at 31 March 2022	**37,035**	**9,196**	**46,231**

*Purchases at cost for the Ordinary Shares represents costs incurred in relation to the ongoing disposal of the Ordinary Shares portfolio.

9 Debtors

	2022 £'000	2021 £'000
Interest receivable	**358**	165
Prepayments	**8**	62
Investments pending completion*	**—**	796
Other debtors	**76**	34
	442	1,057

* Investments pending completion in the prior year relates to funds which had been transferred to lawyers pending completion of three investments in the week after year end.

10 Creditors

	2022 £'000	2021 £'000
Trade creditors	**2**	2
Accruals	**152**	124
Cash held on behalf of Shaftesbury Solar I UK Holdings Limited	**—**	363
	154	489

11 Called-up share capital

	2022 £'000	2021 £'000
Allotted, called up and fully paid:		
34,593,623 Ordinary Shares of 1p each (2021: 35,109,032)	**346**	351
17,058,716 FWT Shares of 1p each (2021: 10,021,408)	**171**	100
	517	451

On 29 June 2018 the C and D Shares funds were merged with the Ordinary Shares fund. On the basis of the conversion ratios, 16,884,973 C and D shares were converted into Ordinary Shares, and the remaining 1,222,778 C and D shares were converted into Deferred Shares. These Deferred Shares are not listed, and have no value attributable to them.

During the year, the Ordinary Shares fund repurchased 515,409 shares for cancellation at a cost of £404,000 during the year.

Under the offers for subscription dated 30 December 2020 and 5 January 2022, 7,037,308 shares were issued during the year in the FWT Shares Fund based at issue prices ranging from 96.0p to 103.9p. This share issue was under the new VCT provisions that commenced on 6 April 2006, namely: 30% up front income tax relief which can be retained by qualifying investors if the shares are held for the minimum five year holding period.

Details of voting rights are disclosed in the Notice of Annual General Meeting on page 92 onwards. A summary of the Investment Policy can be found in the Strategic Report on page 36.

	Ordinary Shares No.	FWT Shares No.
At 1 April 2021	35,109,032	10,021,408
Allotment of shares	—	7,037,308
Repurchase of shares for cancellation	(515,409)	—
At 31 March 2022	34,593,623	17,058,716

12 Net asset value per share

Net asset value per Ordinary Share is based on net assets at the year end of £37,111,000 (2021: £24,178,000) and on 34,593,623 Ordinary Shares (2021: 35,109,032), being the number of Ordinary Shares in issue at that date.

Net asset value per FWT Share is based on net assets at the year end of £16,622,000 (2021: £9,818,000) and on 17,058,716 FWT Shares (2021: 10,021,408), being the number of FWT Shares in issue at that date.

13 Share based payments

Ordinary Shares

Up to 4 May 2017 and pursuant to the Original Agreement entered into between the Company and the Investment Manager on 31 August 2010, the Investment Manager was entitled to a performance related incentive fee (classified as a share based payment) on Ordinary Shares equal to 20% of total distributions over 100p and 30% of total distributions over 130p (the "original hurdle").

On 4 May 2017, the shareholders approved an amendment to the Original Agreement, allowing for the performance related incentive fee to be paid in respect of the net asset value of the shares held by the shareholders electing to remain in the fund as well as the shareholders exiting the fund as part of the Tender Offer on 7 May 2017.

On 4 May 2017, the shareholders also approved an amendment to the Original Agreement for future performance incentive fees whereby the Investment Manager was entitled to receive a performance related incentive fee on the Ordinary Shares equal to 20% of total return over 100p and 30% of total return over 130p (total return being net asset value plus historic distributions paid per Ordinary Share), with an additional growth hurdle of 5% per annum going forward (the "amended hurdle"), i.e. 136.5p for the Company's financial year ending 30 June 2018, 141.6p for the nine month period ending 31 March 2019, 148.7p for the year ending 31 March 2020, 156.1p for the year ending 31 March 2021, 163.9p for the year ending 31 March 2022 and so on.

The rights and obligations of Foresight Group CI Limited in respect of the performance incentive arrangements were novated to the Investment Manager on 27 January 2020. As a result, in respect of investments made before that date, any performance incentive fee which Foresight Group CI Limited was entitled was transferred to the Investment Manager on that date. The hurdle in the Original Agreement will continue to apply to any new Ordinary Shares that are issued in accordance with the Original Agreement.

As at 31 March 2022, the amended hurdle was 163.9p per share (2021: 156.1p) and the total return per Ordinary Share was 153.3p (2021: 114.9p). The hurdle was not exceeded at any point during the year (2021: hurdle was not exceeded at any point during the year). Therefore, no performance related incentive fee expense was recognised in respect of share-based payments during the year (2021: £nil).

The Directors currently do not expect a future performance related incentive fee to become payable over the vesting period. This is because the additional annual growth hurdle of 5% is greater than the combined future projected annual dividend distributions and net asset growth. As such the fund's total returns are not expected to exceed the amended hurdle. Therefore, as at and for the year ended 31 March 2022, no performance related incentive fee expense or liability was recognised (2021: £nil).

The terms and conditions of the share-based payments are as follows:

Grant Date: 31 August 2010 (subject to an amendment on 4 May 2017)
Vesting conditions: Expected total return exceeds the original hurdle
Vesting date: 8 May 2017

Method of settlement accounting: Cash (with the option of settling in shares in the event of any cash flow restrictions). Arrangement was settled in cash.

Grant Date: 4 May 2017
Vesting conditions: Expected total return exceeds the amended hurdle
Vesting period: Variable from 4 May 2017

Method of settlement accounting: Cash (with the option of settling in shares in the event of any cash flow restrictions).

FWT Shares

The threshold for the FWT Shares is 20% of distributions in excess of 110.0p per FWT Share, subject to annual adjustment of this hurdle in line with the Retail Price Index (the "FWT share threshold").

At the year end date, the FWT share threshold was not satisfied and no expense or liability was recognised.

Grant Date: 27 January 2020
Vesting conditions: Distributions exceed the FWT share threshold
Vesting period: Variable from 27 January 2020

Method of settlement accounting: Cash (with the option of settling in shares in the event of any cash flow restrictions).

14 Capital commitments and contingent liabilities

The Company had no capital commitments or contingent liabilities at 31 March 2022 (2021: £nil).

15 Financial instrument risk management

The Company's financial instruments comprise:

- Unquoted investments and qualifying loan stock held in the investment portfolio as well as cash and investments in money market funds that are held in accordance with the Company's investment objective as set out in the Directors' Report.
- Cash, liquid resources, short-term debtors, creditors that arise directly from the Company's operations.

Classification of financial instruments

The Company held the following categories of financial instruments all of which are included in the Balance Sheet at fair value, at 31 March 2022:

Company	31 March 2022 £'000	31 March 2021 £'000
Investments held at fair value	46,231	25,352

The investment portfolio consists of unquoted investments. Unquoted investments consist of equity in and loans to portfolio companies and are valued at fair value through profit or loss.

The main risks arising from the Company's financial instruments are credit risk, valuation risk, regulatory risk, interest risk, foreign exchange risk and liquidity risk. The Board regularly reviews and agrees policies for managing each of these risks.

Detailed below is a summary of the financial risks to which the Company is exposed, and the policies agreed by the Board for management of these risks.

Credit risk

Credit risk is the risk of failure by counterparties to deliver securities which the Company has paid for, or the failure by counterparties to pay for securities which the Company has delivered. The Company has exposure to credit risk in respect of the loan stock investments it has made into portfolio companies and interest receivable from portfolio companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that a portfolio company may owe. The Board has delegated the management of credit risk in respect of loan stock to the Investment Manager. The Investment Manager receives full year accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment-specific credit risk. The Company also has exposure to credit risk in respect of its current asset investments, cash and other debtors. The Board manages credit risk in respect of the current asset investments and cash by ensuring a spread of such investments in separate money market funds such that none exceed 15% of the Company's total investment assets. These money market funds are investment grade funds, and so credit risk is considered to be low. The Company currently invests its cash holdings and loan stock (indirectly) with Barclays. Its money market holdings are with HSBC, Goldman Sachs (previously RBS), Blackrock and Insight Investments. The maximum exposure to credit risk at 31 March 2022 was £15,947,000 (31 March 2021: £17,480,000) based on loan stock, cash, money market funds and other receivables (amounts due on investments). The majority of the Company's assets are held in its own name in certificated form and therefore custodian default risk is negligible.

Notes to the Accounts

for the year ended 31 March 2022

15 Financial instrument risk management (continued)

An analysis of the Company's assets exposed to credit risk is provided in the table below:

Credit risk	31 March 2022 £'000	31 March 2021 £'000
Loan stocks	8,299	8,409
Other debtors	434	995
Cash	7,214	8,076
Total	15,947	17,480

Price risk

Through direct investments in portfolio companies, the Company's Ordinary Shares primarily invests in solar investments via unquoted equity and loan securities. The FWT Shares primarily invests in early stage UK technology companies. The Company's investment portfolio is recognised in the Balance Sheet at fair value, in accordance with IPEV Valuation Guidelines.

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. At 31 March 2022, the Company's direct investments in the portfolio companies were valued at net assets excluding the outstanding loans issued by the Company. A 10% increase/decrease in valuation of the total portfolio would result in a valuation movement of £4,623,000 (2021: £2,535,000).

The Board have selected the impact of a change of 10% as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement.

As the valuation of the direct investments in the Ordinary Shares is directly impacted by the valuation of the underlying investments in solar assets, the impact of changes in unobservable inputs is discussed in more detail on page 86.

Liquidity risk

The investments in equity and fixed interest stocks of unquoted portfolio companies that the Company holds are not traded and they are not readily realisable. The ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs.

The maturity profile of the Company's loan stock investments disclosed within the consideration of credit risk above indicates that these assets are also not readily realisable until dates up to one year from the year-end.

To counter these risks to the Company's liquidity, the Investment Manager maintains sufficient cash and money market funds to meet running costs and other commitments. The Company invests its surplus funds in high quality money market funds which are all accessible on an immediate basis.

Maturity analysis:	31 March 2022 £'000	31 March 2021 £'000
- in one year or less	15,513	16,485
- in more than one year but less than two years	—	—
- in more than two years but less than three years	—	—
- in more than three years but less than four years	—	—
- in more than four years but less than five years	—	—
Total	15,513	16,485

15 Financial instrument risk management (continued)

Foreign currency risk

Foreign currency risk arises as the values of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The majority of the Company's assets are in the United Kingdom and denominated in sterling, and therefore the directors do not consider foreign currency risk to be material. As at 31 March 2022, the company had a holding in one existing portfolio company denominated in Euro (EUR), an investment denominated in Canadian Dollars (CAD) and an investment denominated in US Dollars (USD). Therefore, the Company is exposed to foreign currency risk in respect of these portfolio companies. The applicable exchange rates as at 31 March 2022 were £:€ 1.1658, £:CAD 1.6392 and £:USD 1.3158 (2021: £:€ 1.1713, no investments denominated in CAD or USD).

An analysis of the Company's assets exposed to foreign currency risk is provided in the table below:

Foreign exchange risk	31 March 2022 £'000	31 March 2021 £'000
Investments - EUR	333	416
Investments - CAD	1,314	—
Investments - USD	530	—
Total	2,177	416

If the Euro was to strengthen/weaken 10% against the pound, the value of the Euro denominated assets would increase/decrease by £33,000 (2021: £42,000). If the Canadian Dollar was to strengthen/weaken 10% against the pound, the value of CAD denominated assets would increase/decrease by £131,000. If the US Dollar was to strengthen/weaken 10% against the pound, the value of USD denominated assets would increase/decrease by £53,000.

Interest rate risk

The fair value of the Company's loan stock and cash investments may be affected by interest rate movements. The Board does not consider this to be a significant risk as the loan stock interest rates are all fixed. The benchmark rate, which determines the interest payments received on cash and loan balances held, is the bank base rate which was 0.75% at 31 March 2022 (0.1% at 31 March 2021).

	Total fixed portfolio		Weighted average interest rate		Weighted average time for which rate is fixed	
Company	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 %	31 March 2021 %	31 March 2022 Days	31 March 2021 Days
Short term fixed interest securities						
Loan stock — exposed to fixed interest rate risk*	8,299	8,409	5.0	5.0	—	—
Cash and cash equivalents	7,214	8,076	—	—	—	—
Total exposed to interest rate risk	15,513	16,485				

*100% of the Company's loan stock investments exposed to fixed interest rate risk as at 31 March 2022 is repayable on demand with no fixed term. Therefore, the weighted average time for which the rate is fixed for those loans is nil.

15 Financial instrument risk management (continued)

Fair value hierarchy

In accordance with amendments to FRS 102, the following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the instrument that are not based on observable market data (unobservable inputs) (Level 3).

As at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	—	—	46,231	46,231
Financial assets	**—**	**—**	**46,231**	**46,231**

As at 31 March 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	—	—	25,352	25,352
Financial assets	**—**	**—**	**25,352**	**25,352**

Transfers

During the year there were no transfers between levels 1, 2 or 3.

Sensitivity analysis of changes in key inputs and assumptions which may significantly change valuations

For each class of fair valued instruments, if changing one or more of the inputs or reasonably possible alternative assumptions would change the fair value significantly, accounting standards require the Company to state the fact and disclose the effect of those changes.

The Company's underlying solar investments are valued with reference to the discounted value of future cash flows. The Board reviews, at least quarterly, the valuation inputs and where possible, make use of observable market data to ensure valuations reflect the fair value of the investments.

A broad range of assumptions are used in the valuation models. These assumptions are based on long-term forecasts and are not affected by short term fluctuations in inputs, be it economic or technical.

The significant assumptions used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 are set out below and on pages 87 to 89. Please note, this sensitivity analysis only refers to the impact of changes in key inputs and assumptions on the valuation of the UK Solar investments (in the Ordinary Share class) held at fair value only.

The discounted cash flow valuations of the solar assets form the majority of the NAV calculation.

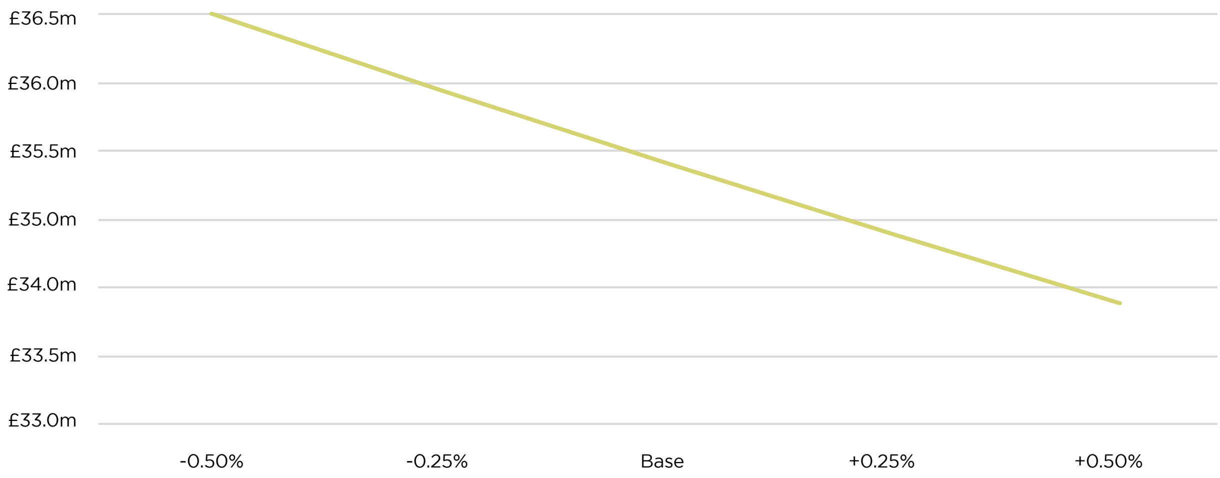
Only changes in those key inputs and assumptions to the discounted cash flow models which would have a significant impact on valuation are discussed in more detail below. The valuation of investments may also be impacted by changes in other inputs to the discounted cash flow models, but these have not been discussed further as they would not have a significant impact on the valuation. The assumption sensitivities are illustrative. The actual change in these assumptions could be more or less than the amount shown.

15 Financial instrument risk management (continued)

Discount Rate Sensitivities

The range of discount rates used is 5.25%-6.25%. Considering expectations in the Solar Infrastructure sector, a variance of +/- 0.50% is considered reasonable for this fund given the current risk profile.

	-0.50%	-0.25%	Base	+0.25%	+0.50%
Directors DCF Valuation (£m)	36.51	35.95	35.41	34.89	34.39

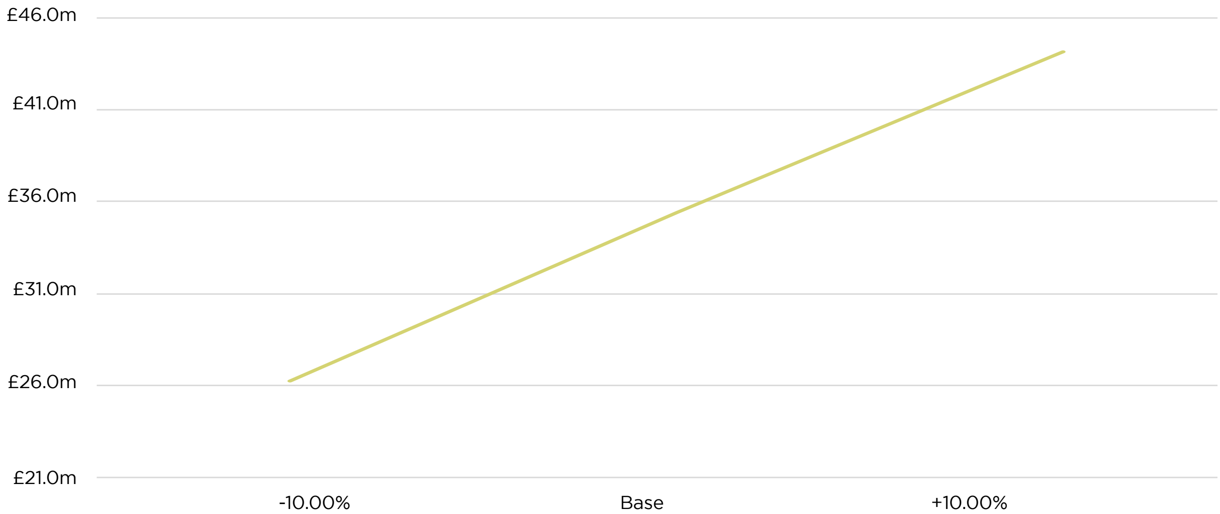


Energy Yield Sensitivities

Energy Yield is the amount of electricity that is produced and is calculated based on irradiation multiplied by the asset performance ratio and the degradation of the asset.

Irradiation is the amount of solar energy per metre squared of plant, and the asset performance ratio refers to how efficiently a plant converts irradiation into electricity on the grid.

	-10.00%	Base	+10.00%
Directors DCF Valuation (£m)	26.25	35.41	44.16



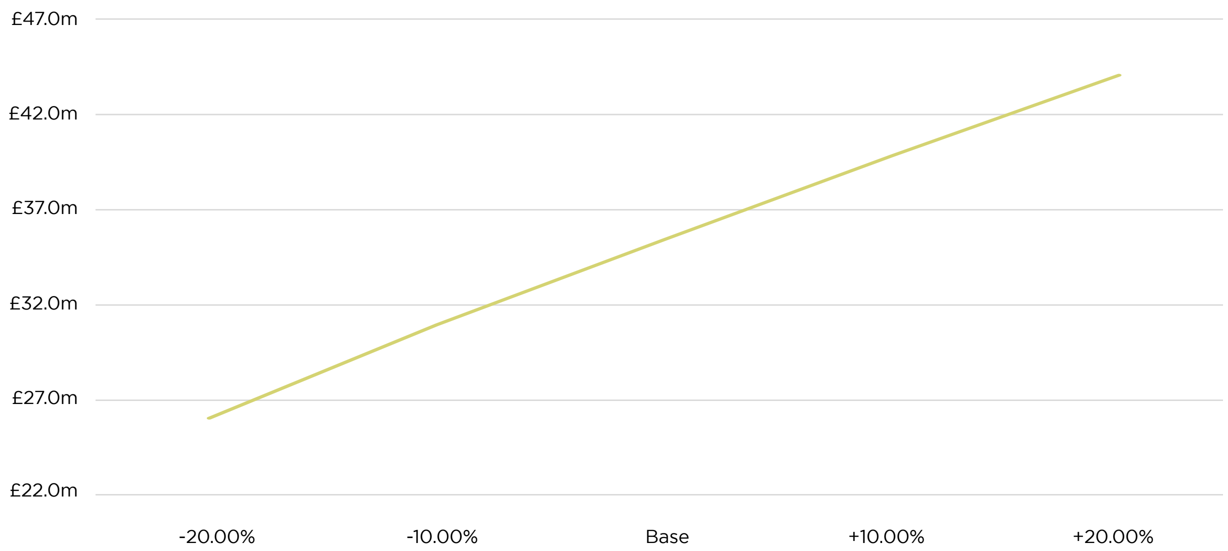
15 Financial instrument risk management (continued)

Power Price Sensitivities

The discounted cash flow models assume that power prices are consistent with the Power Price Agreements ("PPA") currently in place.

At the PPA end date the model reverts to market price. The base case power pricing is based on the current forecast power price reference curve provided by external market experts.

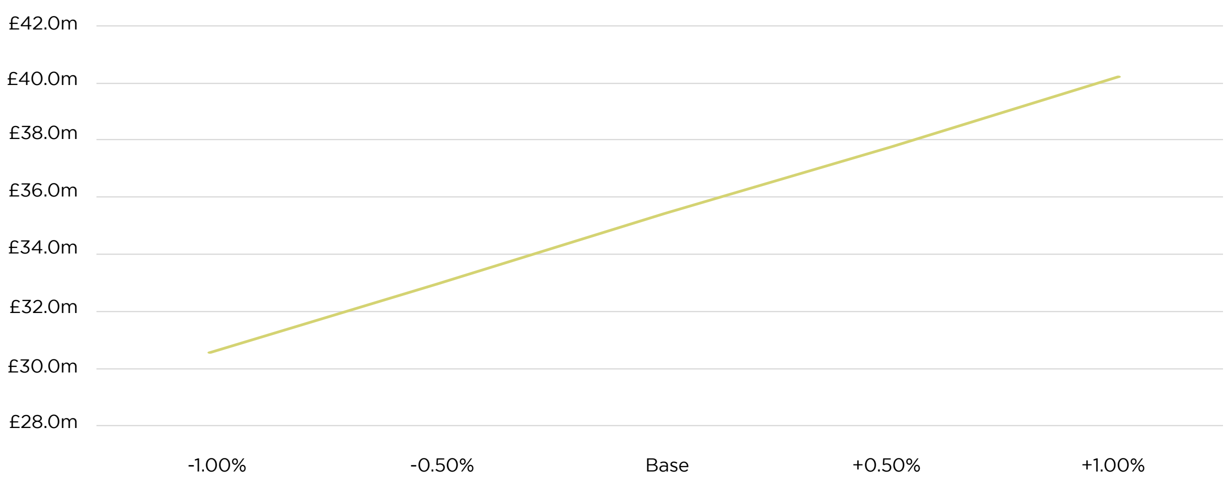
	-20.00%	-10.00%	Base	+10.00%	+20.00%
Directors DCF Valuation (£m)	26.02	30.89	35.41	39.80	44.05



Inflation Sensitivities

A variance of +/- 1.0% is considered reasonable considering the long-term nature of the assets and general historic fluctuations, despite recent market volatility.

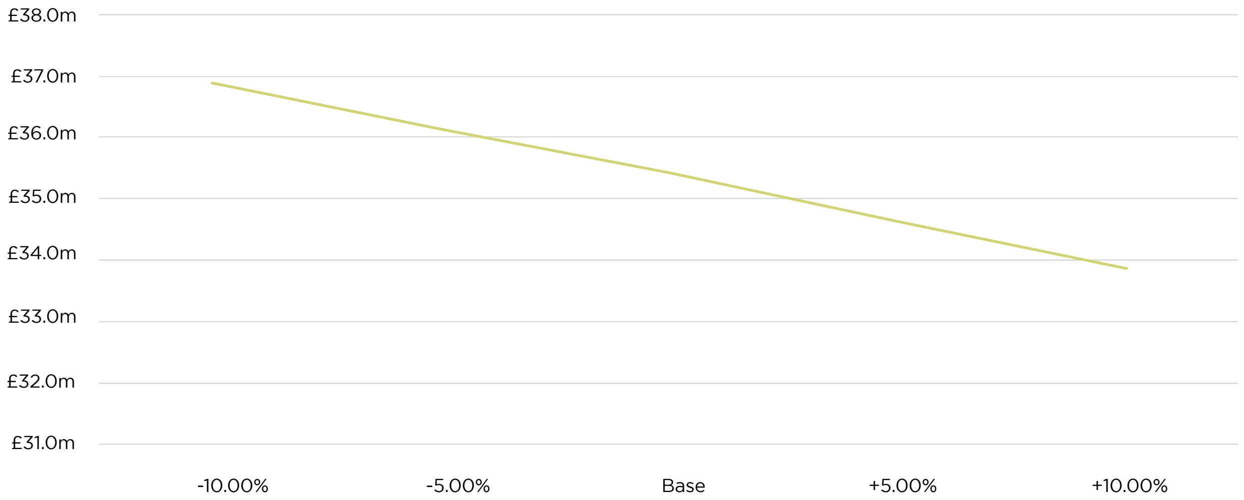
	-1.00%	-0.50%	Base	+0.50%	+1.00%
Directors DCF Valuation (£m)	30.56	32.96	35.41	37.77	40.22



Operating Cost Sensitivities (Investment Level)

Operating costs refers to the cost of running the plants.

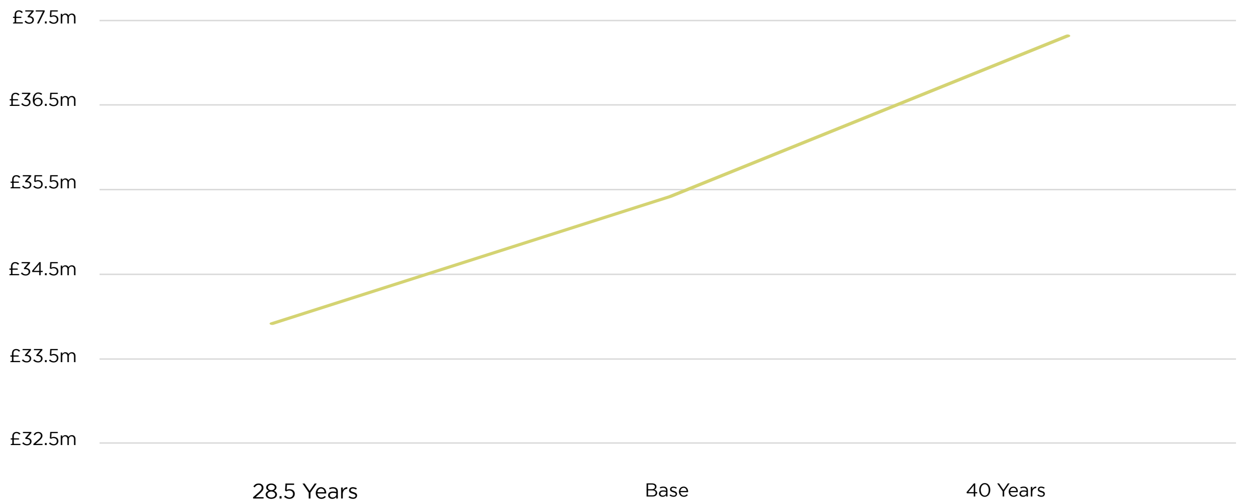
	-10.00%	-5.00%	Base	+5.00%	+10.00%
Directors DCF Valuation (£m)	36.88	36.13	35.41	34.63	33.87



Useful Economic Lives Sensitivities

The Useful Economic Lives relates to the number of years a renewable asset will effectively generate power determined by both technical and commercial considerations. The current weighted average UEL in the portfolio is 28.5 years. A range of 28.5 to 40 years is shown here to illustrate the valuation impact if no further lease extensions were successful and on the upside, if all assets were successfully extended to 40 years.

	28.5 Years	Base	40 Years
Directors DCF Valuation (£m)	33.91	35.41	37.32



Notes to the Accounts

for the year ended 31 March 2022

16 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide an adequate return to shareholders by allocating its capital to assets commensurate with the level of risk.

Since the Company is a VCT, at least 80% of the capital of the Company (as measured under the tax legislation) must be invested in the relatively high risk asset class of small UK companies within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

It regards the net assets of the Company as the Company's capital, as the level of liabilities and the management of them is not directly related to managing the return to shareholders. There has been no change in this approach from the previous year.

Financial liabilities and borrowing facilities

The Company had no committed borrowing facilities, liabilities or guarantees at 31 March 2022 or 31 March 2021, other than those shown on the balance sheet.

Fair value

The fair value of the Company's financial assets and liabilities at 31 March 2022 or 31 March 2021 are not materially different from their carrying values.

17 Related party transactions

No Director has an interest in any contract to which the Company is a party. Transactions with or on behalf of portfolio companies are disclosed in Note 10. All transactions were on an arms length basis.

18 Transactions with the Investment Manager

Foresight Group LLP was appointed as Investment Manager in January 2020 and earned fees of £692,000 in the year ended 31 March 2022 (2021: £454,000). No performance fee was paid or accrued for the year (2021: £nil).

Foresight Group LLP is the Company Secretary (appointed in November 2017) and received accounting and company secretarial services fees of £169,000 (2021: £169,000), during the year.

At the balance sheet date there was £49,000 (2021: £30,000) due from Foresight Group LLP. No amounts have been written off in the year in respect of debts due to or from the Investment Manager.

19 Subsidiaries and related undertakings

The Company has holdings in the following subsidiaries as at the year end:

Name	Address	Principal Activity	Direct/indirect holding	Class and percentage of shares held
Adriou Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Finance company	Direct	A Ordinary 100%
Audioscenic Limited	Suite A, Epsilon House Enterprise Road, Southampton, SO16 7NS	Manufacture of consumer electronics	Direct	A Ordinary Shares 23%
dRISK Inc	130 W. Union Street, Pasadena, CA, 91103, USA	Other business support service activities	Direct	Series Seed-2 Preferred Stock 28%
Foresight VCT (Lux) 1 S.à r.l.	68-70 Boulevard de la Pétrusse, L-2320 Luxembourg	Investment in solar projects	Direct	Ordinary 100%
Foresight VCT (Lux) 2 S.à r.l.	68-70 Boulevard de la Pétrusse, L-2320 Luxembourg	Investment in solar projects	Indirect	Ordinary 100%
Greenersite Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Direct	Ordinary 100%
Kognitiv Spark Inc	40 Crowther Lane, 2nd Floor Fredericton, New Brunswick, Canada	Remote worker support software	Direct	C Ordinary Shares 50%
Previsico Limited	Atic 5 Oakwood Drive, Loughborough University, LE11 3QF	Other professional, scientific and technical activities	Direct	A Ordinary Shares 37%
VividQ Limited	55 Baker Street, London, United Kingdom, W1U 7EU	Other information technology service activities	Direct	B2 Shares 51%
Youtan Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Finance company	Direct	A Ordinary 100%
Zero Point Motion Limited	1 Cathedral Square, Bristol, BS1 5DD	Manufacture of optical precision instruments	Direct	A Ordinary Shares 29%

Related undertakings

Under Section 409 of the Companies Act 2006, the Company is required to disclose specified details of its related undertakings, which are undertakings where the Company's holding amounted to 20% or more of the nominal value of any class of shares as at the year end. These are listed below. The percentage holding shown does not reflect the total percentage of all voting rights in the Company as a whole. In respect of those undertakings in which the Company is described as having an indirect holding, the class and percentage of shares held shown refers to the shares in the relevant company which are held by its parent company in which the Company has a direct holding, save where that indirect holding is described as 'Nil' where the shares in the relevant company are held in trust for the Company.

Name	Address	Principal Activity	Direct/indirect holding	Class and percentage of shares held
Altair Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Direct	A Ordinary 100%, B Ordinary 100%
Audioscenic Limited	Suite A, Epsilon House Enterprise Road, Southampton, SO16 7NS	Manufacture of consumer electronics	Direct	A Ordinary Shares 23%
Avior Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Investment in solar projects	Direct	AE Ordinary 100%, AA Ordinary 100%
Canopus Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Direct	A Ordinary 100%, B Ordinary 100%
Capella Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Direct	A Ordinary 100%, B Ordinary 100%
dRISK Inc	130 W. Union Street, Pasadena, CA, 91103, USA	Other business support service activities	Direct	Series Seed-2 Preferred Stock 28%
Foresight Luxembourg Solar 2 S.à r.l.	68-70 Boulevard de la Pétrusse, L-2320 Luxembourg	Investment in solar projects	Direct	Ordinary 28%
Hadar Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Direct	A Ordinary 100%, B Ordinary 100%
Kognitiv Spark Inc	40 Crowther Lane, 2nd Floor Fredericton, New Brunswick, Canada	Remote worker support software	Direct	C Ordinary Shares 50%
Laurel Hill Solar Limited	50 Bedford Street, Belfast, BT2 7FW	Reversionary interest in a solar site	Indirect	Ordinary 100%
Marchington Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Indirect	Ordinary 100%
New Kaine Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Indirect	Ordinary 100%
Ponca Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Finance company	Indirect	Ordinary 100%
Previsico Limited	Atic 5 Oakwood Drive, Loughborough University, LE11 3QF	Other professional, scientific and technical activities	Direct	A Ordinary Shares 37%
Rigel Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Direct	A Ordinary 100%, B Ordinary 100%
Saron Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Indirect	Ordinary 100%
Scorpii Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Investment in solar projects	Direct	AS Ordinary 100%, AG Ordinary 100%
Sious Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Investment in solar projects	Direct	A Ordinary 100%,
Solektra Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Investment in solar projects	Direct	A Ordinary 100%,
Turweston Solar Farm Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Reversionary interest in a solar site	Indirect	Nil
Turweston Solar Parent Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Reversionary interest in a solar site	Indirect	Nil
Vega Solar Limited	The Shard, 32 London Bridge Street, London, SE1 9SG	Production of electricity	Direct	A Ordinary 100%, B Ordinary 100%
VividQ Limited	55 Baker Street, London, United Kingdom, W1U 7EU	Other information technology service activities	Direct	B2 Shares 51%
Zero Point Motion Limited	1 Cathedral Square, Bristol, BS1 5DD	Manufacture of optical precision instruments	Direct	A Ordinary Shares 29%

20 Post balance sheet events

Between the year end and the date of this report, under the offer for subscription to raise up to £20 million FWT shares (with an overallotment facility to raise up to a further £10 million), the Company issued a total of 1,717,940 shares based on an unaudited NAV of 96.5p per share.

Between the year end and the date of this report, the FWT shares invested a total of £4.5m across nine investee companies, bringing total deployment to £13.1m.

Notice of Annual General Meeting

27 September 2022

Notice is hereby given that the Annual General Meeting of Foresight Solar & Technology VCT plc ("the Company") will be held on 27 September 2022 at 12.30 pm at the offices of Foresight Group, The Shard, 32 London Bridge Street, London, SE1 9SG for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions.

Resolution 1 To receive the Report and Accounts for the year ended 31 March 2022.

Resolution 2 To approve the Directors' Remuneration Policy.

Resolution 3 To approve the Directors' Remuneration Report.

Resolution 4 To re-elect Ernie Richardson as a Director.

Resolution 5 To re-elect Tim Dowlen as a Director.

Resolution 6 To re-elect Carol Thompson as a Director.

Resolution 7 To reappoint Deloitte LLP as auditor and to authorise the directors to fix the auditor's remuneration.

Resolution 8 That, in addition to all existing authorities, the directors be and they are authorised to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to a nominal amount of £300,000 (representing approximately 56% of the current issued ordinary share capital) provided that the authority and power conferred by this Resolution 8 will expire on the fifth anniversary of the passing of this resolution.

Resolution 9 That, in addition to all existing authorities, the directors be and they are empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) pursuant to the authority conferred by Resolution 8 as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

(i) the allotment of equity securities with an aggregate nominal value of up to £300,000 by way of issue of ordinary shares of 1p each ("Ordinary Shares") and/or £300,000 by way of issues of Foresight Williams Technology shares ("FWT Shares"), in each case pursuant to offer(s) for subscription;

(ii) the allotment of equity securities with an aggregate nominal value of up to 10% of the issued share capital of the Company by way of an issue of Ordinary Shares and/or FWT Shares pursuant to the performance incentive arrangements with Foresight Group LLP; and

(iii) the allotment of equity securities with an aggregate nominal value of an amount up to or equal to 10% of the issued Ordinary Share capital of the Company and/or 10% of the issued FWT Share capital of the Company from time to time,

in each case where the proceeds of such issue may in whole or part be used to purchase the Company's shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2023.

Resolution 10 That, in addition to all existing authorities the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares provided that:

(i) the aggregate number of shares to be purchased shall not exceed 5,185,584 Ordinary Shares and 2,814,621 FWT Shares or, if lower such number of shares rounded down to the nearest whole share as shall equal 14.99% of the Company's Ordinary Shares and FWT Shares in issue at the date of passing this resolution;

(ii) the minimum price which may be paid for a share is 1 pence (the nominal value thereof);

(iii) the maximum price which may be paid for shares is the higher of (1) an amount equal to 105% of the average of the middle market quotation for shares taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the shares are purchased, and (2) the amount stipulated by Article 5(6) of the Market Abuse Regulation

(iv) the authority conferred by this resolution shall expire on the conclusion of the Annual General Meeting of the Company to be held in the year 2023 unless such authority is renewed prior to such time; and

(v) the Company may make a contract to purchase shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to such contract.

By order of the Board

Foresight Group LLP

Company Secretary

17 August 2022

The Shard
32 London Bridge Street
London
SE1 9SG

Notice of Annual General Meeting (continued)

Notes:

1. No Director has a service contract with the Company. Directors' appointment letters with the Company will be available for inspection at the registered office of the Company until the time of the meeting and from 15 minutes before the meeting at the location of the meeting, as well as at the meeting.

2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 10.00 pm on 23 September 2022 (or, in the event of any adjournment, 10.00 pm on the date which is two (excluding non-business days) days before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy which is enclosed. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

4. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Computershare Investor Services PLC on 0370 707 4017. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.

5. As at the publication of this notice, the Company's issued share capital was 34,593,623 Ordinary Shares and 18,776,656 FWT Shares, carrying one vote each. Therefore, the total voting rights in the Company as at the date of this notice is 53,370,279.

6. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

7. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.

8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.

9. The Register of Directors' Interests will be available for inspection at the meeting.

10. Information regarding the meeting, including the information required by Section 311A of the Companies Act 2006, is available from www.foresightgroup.eu.

11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

12. A form of proxy and reply paid envelope is enclosed. To be valid, it should be lodged with the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at www.investorcentre.co.uk/eproxy, in each case, so as to be received no later than 48 hours

(excluding non working days) before the time appointed for holding the meeting or any adjourned meeting. To vote electronically, you will be asked to provide your Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form. This is the only acceptable means by which proxy instructions may be submitted electronically.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in Note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to him by other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that EUI does not take available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

13. Under Section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information or the answer has already been given on a website in the form of an answer to a question or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

14. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (Sections 527 to 531), where requested by a member or members meeting the qualification criteria the Company must publish on its website, a statement setting out any matter that such members propose to raise at the meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting. Where the Company is required to publish such a statement on its website it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website and the statement may be dealt with as part of the business of the meeting.

Glossary of Terms

Average Discount on Buybacks
The average of the discount applied to the price of a share buyback against the Net Asset Value per share.

DCF
Discounted Cash Flows

Dividend Yield
The sum of Ordinary Share dividends paid during the year of nil (2021: 2.0p) expressed as a percentage of the share price of the Ordinary Shares of 75.0p (2021: 68.5p) at the year-end date. This gives a dividend yield of the Ordinary Shares of nil (2021: 2.9%). Dividend yield for the FWT Shares was nil (2021: nil).

EBITDA
Earnings before Interest, Taxation, Depreciation and Amortisation

FiT
Feed-in Tariff

FWT
Foresight Williams Technology

Manager/Investment Manager
Foresight Group LLP is the Investment Manager of the Company.

References to the "Investment Manager" or the "Manager" throughout this report refer to the activities of Foresight Group LLP and, in relation to activities prior to 27 January 2020 when the investment management and administration arrangements were novated from Foresight Group CI Limited to the Investment Manager, include the activities of Foresight Group CI Limited when acting as the Company's previous manager.

Net Asset Value (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.

NAV Total Return
The sum of the published NAV per share plus all dividends paid per share (for the relevant share class) over the lifetime of the Company.

For the Ordinary Share class, the published NAV per share was 107.3p (2021: 68.9p) and the dividends per Ordinary Share since inception was 46.0p (2021: 46.0p), thereby giving a NAV total return per Ordinary Share of 153.3p (2021: 114.9p).

For the FWT Share class, the published NAV per share was 97.4p (2021: 98.0p) and the dividends per FWT share since launch was nil (2021: nil), thereby giving a NAV total return per FWT Share of 97.4p (2021: 98.0p).

Ongoing Charges Ratio
The annualised sum of expenditure incurred in the ordinary course of business being £1.2m (2021: £0.9m) expressed as a percentage of the average Company Net Asset Value of £45.7m (2021: £30.2m).

PPA
Power Price Agreement

Qualifying Company or Qualifying Holding
A Qualifying Holding consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying certain conditions. The conditions are detailed but include that the company must be a Qualifying Company under the VCT Rules which requires, amongst other things, that it has gross assets not exceeding £15 million immediately before and £16 million immediately after the investment, employs the money raised for the purposes of a qualifying trade within a certain time period and is not controlled by another company. Additionally, in any twelve month period the company can receive no more than £5 million from VCT funds and Enterprise Investment Schemes, and any other European State-aided risk capital source. The company must have fewer than 250 full time (or equivalent) employees at the time of making the investment. VCT funds raised after 5 April 2012 cannot be used by a Qualifying Company to fund the purchase of shares in another company. Funds raised after 5th April 2017 cannot be invested in companies which generate or export electricity, heat or energy and, after the date of Royal Assent to Finance Act 2017-18, may only be invested in companies which satisfy a new risk-to-capital condition which requires that at the time of investment it is reasonable to conclude there is a significant risk that there will be a loss of capital of an amount greater than the net investment return.

ROC
Renewable Obligation Certificate

Share Price Total Return
The sum of the current share price plus all dividends paid per share. This allows performance comparisons to be made between VCTs.

For the Ordinary Share class, the share price at year end was 75.0p (2021: 68.5p) and the dividends per Ordinary Share since inception was 46.0p (2021: 46.0p), thereby giving a share price total return per Ordinary Share of 121.0p (2021: 114.5p).

For the FWT Share class, the share price at year end was 100.0p (2021: 100.0p) and the dividends per FWT share since launch was nil (2021: nil), thereby giving a share price total return per FWT Share of 100.0p (2021: 100.0p).

Share Price (Discount)/Premium to NAV
A (discount)/premium to NAV is the percentage by which the mid-market share price of the Company is (lower than)/higher than the net asset value per share.

For the Ordinary Shares, the share price at the year end was 75.0p (2021: 68.5p) compared to the NAV of 107.3p (2021: 68.9p), giving a discount of 30.1% (2021: discount of 0.6%).

For the FWT Shares, the share price at the year end was 100.0p (2021: 100.0p) compared to the NAV of 97.4p (2021: 98.0p), giving a premium of 2.7% (2021: premium of 2.0%).

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

VCT Rules
The provisions of Part 6 of the Income Tax Act 2007, statutory instruments made thereunder and prevailing guidelines, custom and practise of HMRC all of which are subject to change from time to time.

Financial Conduct Authority

Beware of share fraud

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

They may offer to sell 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

1. 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.
2. Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
3. Check the Financial Services Register from **www.fca.org.uk** to see if the person and firm contacting you is authorised by the FCA.
4. Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
5. Use the firm's contact details listed on the Register if you want to call it back.
6. 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.
7. Search the list of unauthorised firms to avoid at **www.fca.org.uk/scams**.
8. 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.
9. Think about getting independent financial and professional advice before you hand over any money.
10. **Remember:** if it sounds too good to be true, it probably is!

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

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**, 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: icsa Registrars Group

Corporate Information

Registered Number
07289280

Directors
Ernie Richardson (Chairman)
Tim Dowlen
Carol Thompson

Company Secretary
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Important information:

The Company currently conducts its affairs so that the shares issued by Foresight Solar & Technology VCT plc 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.

This Annual Report is printed on Nautilus SuperWhite, a premium ecological paper with excellent whiteness boasting an environmental profile of 100% post-consumer recycled paper with FSC recycled and EU ecolabel certifications.

A paper which is certified by the Forest Stewardship Council®.

Foresight

FOR A SMARTER FUTURE

Foresight Solar & Technology VCT plc
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www.foresightgroup.eu