



C O R E

CORE VCT PLC

**Unaudited Half-Yearly Report
for the six months ended 30 June 2010**

Investment Objective

Core VCT plc ("Core VCT" or "the Company") is a tax efficient listed company, formerly known as Core VCT III plc until its merger with Core VCT I plc and Core VCT II plc on 16 July 2009. The aim of the Company is to achieve long-term capital and income growth and to distribute tax free dividends comprising realised gains and investors' capital investment.

Investment Approach

We invest management buyout and development capital, typically in:

- Established, private companies, which show:
 - sufficient operating critical mass and an established economic model
 - quality management teams with the key skills in place to deliver a well-defined business model.
- Amounts of £3 – £8 million in companies valued at £5 – £25 million.

Fund Structure

Core VCT is structured as follows:

■ No annual management fees

Only when Shareholders have received the first 60 pence of distributions, which together with an assumed 40 pence of initial tax relief will have realised them 100 pence, will the Manager start to be entitled to 30% of distributions from the Fund.

■ Maximise distributions of income and capital

Core VCT has a policy to distribute all proceeds from realised investments. The Company has no fixed life but intends to naturally liquidate and distribute its assets over time. The Manager's incentives are structured to align their interests in delivering this liquidity for Shareholders as well as maximising overall investment performance.

Performance Summary

Ordinary Shares	30 June 2010	30 June 2009	31 December 2009
Net asset value per share	94.30 pence	98.82 pence	87.07 pence
Total return to date per share ¹	111.45 pence	103.32 pence	104.22 pence
Share price (mid market)	40.00 pence	80.00 pence	40.00 pence
Earnings per share	7.23 pence	20.66 pence	8.58 pence
Cumulative dividends paid per share since inception ²	17.15 pence	4.50 pence	17.15 pence
Expense ratio ³	0.48%	1.72%	1.02%

B Shares	30 June 2010	30 June 2009	31 December 2009
Net asset value per share	0.01 pence	0.01 pence	0.01 pence
Total return to date per share ¹	0.01 pence	0.01 pence	0.01 pence
Share price (mid market)	3.75 pence	8.50 pence	8.50 pence
Earnings per share	0.00 pence	0.00 pence	0.00 pence
Dividends per share	0.00 pence	0.00 pence	0.00 pence

¹ Total return per share comprises closing net asset value per share plus cumulative dividends per share paid to date.

² Based on a weighted average of dividends paid by Core VCT I plc, Core VCT II plc and Core VCT III plc.

³ Total expense ratio has been calculated using total operating costs divided by closing net assets.

Investment Policy

Core VCT intends to achieve its overall Investment Objective, consistent with maintaining its qualifying status as a VCT, by pursuing the following Investment Policy:

■ Asset Allocation

The Company may invest all of its assets into private companies. These investments are unquoted, and include, but are not limited to, Management Buy-Outs (MBOs) and development capital for expansion or acquisition funding for established companies. The Company is required to have in excess of 70% of its assets invested in qualifying investments as defined for VCT purposes.

However, due to the nature of completing and realising such investments, and the need to maintain some liquid reserves, there will inevitably be periods when a proportion of its assets are not held in unquoted investments.

■ Risk Management

The Company's asset allocation includes a potentially large proportion of the Company's assets to be held in unquoted investments. These investments are not publicly traded and there is not a liquid market for them, and therefore these investments may be difficult to realise.

The Company manages its investment risk within the restrictions of maintaining its qualifying VCT status by using a number of methods commonly used in the Private Equity industry, including:

- the active monitoring of its investments by the Manager;
- seeking the agreement of various rights associated with each investment, such as board representation, information rights, and veto rights;
- seeking to hold larger investment stakes by co-investing with other funds managed by the Manager, so as to gain more significant influence in the investment and to facilitate investing in larger companies which may reduce the risk compared to investing in smaller companies; and
- ensuring a spread of investments is achieved.

The Company has no fixed life but intends to realise its assets over time, and distribute all proceeds (net of costs) from its realised investments. This process will naturally result in each retained investment representing an increased proportion of the remaining net assets of the Company.

■ Gearing

The Company has the authority to borrow up to the amount paid on the issued share capital and the amount standing to the credit of the reserves of the Company but does not ordinarily take advantage of this authority.

As is common in the Private Equity industry, in many cases the Company makes investments into unquoted companies which have, or may have, substantial borrowings from third party lenders.

Chairman's Statement

Results

The Net Asset Value (NAV) Total Return per Ordinary Share was 111.45p as at 30 June 2010, comprising a NAV per Ordinary Share of 94.30p and a weighted average cumulative dividend paid of 17.15p per Ordinary Share. This is an increase from the NAV Total Return to 31 December 2009 of 6.9%, compared to a 6.2% decrease in the value of the FTSE All Share Total Return Index over the same period. A net return of £3,131,885 was recorded during the six months ended 30 June 2010. I am pleased to report that following the merger the operating costs of the Company have reduced by 30% since this time last year.

Dividends

Core VCT is structured to maximise distributions of both capital and income to Shareholders over the life of the Company, and cumulative distributions to date have totalled 17.15p per share¹. We are not, however, recommending further dividends in this period, and we anticipate that future dividends will be dependent upon the level of realisations achieved from the unquoted investment portfolio.

¹ Weighted average cumulative dividends per share since inception.

Investments

During the period, BRG Trading was utilised to complete a £2 million investment into Ark Home Healthcare, a domiciliary healthcare provider. This last investment completes the anticipated investment programme for Core VCT, with remaining cash (and cash equivalents) retained totalling £2.0 million. These amounts may be utilised for supporting funding requirements that may arise in future for the existing portfolio companies, and for working capital purposes for the VCT.

The Manager's Review refers in more detail to the prospects of the investment portfolio, which now comprises 10 unquoted investments with a cost of £29.1 million and a valuation of £39.4 million, an uplift of 35%.

B Shares

Shareholders will be aware that the Company has an innovative charging structure. No annual management fees are paid to Core Capital LLP, which is only rewarded once shareholders have been returned all of their effective initial capital, including income tax relief, and subject to a hurdle rate of 5 per cent per annum. This is achieved through the issue of B shares, which collectively receive 40% of distributions above the effective initial capital. Of these shares, 25% are held by public shareholders, and 75% are held by Core Capital and its relevant nominees, such that Core Capital will receive 30% of distributions above the effective initial cost.

Currently, total cumulative distributions are approximately 57.6p per Ordinary share short of the required threshold following the achievement of which the B shares would participate in distributions. However, I would like to remind shareholders that once this threshold is achieved, distributions to Ordinary shares will be reduced to 60% of the total, and that your holding of B shares forms an integral part of your investment along with your holding of Ordinary Shares.

Share Price and Share Buy Backs

Both the Ordinary Shares (CR3) and the B Shares (CR3B) are fully listed shares. Prices are available on www.londonstockexchange.com and the Ordinary Share price is published daily in the Financial Times.

We would remind shareholders that we view the NAV Total Return, rather than the share price, as the preferred measure of performance, as it encompasses the value of the current portfolio and the amount of cash distributed to shareholders over the life of their investment.

We are conscious that the mid price of the shares continues to be at a discount to the Net Asset Value, as it is for many other VCTs, reflecting the lack of liquidity in the secondary market. During the period, we have appointed Matrix as broker to the Company, following which there has been some temporary movement of the discount. Core VCT does have the ability to buy back shares, although we are not anticipating making any share buy backs for the foreseeable future so that we are best placed as a Company to maximise distributions made to all shareholders, as referred to above.

Board Change

Following the death of Lord Walker of Worcester, on 23 June 2010, Mr David Dancaster was appointed a Director of the Company. Mr Dancaster had served as Alternate Director to Lord Walker of Worcester since 4 March 2010. The Board would like to record its appreciation of the valuable contribution Lord Walker made to the Company since its incorporation in 2005.

Information for Shareholders

The Board supports open communication with investors and welcomes any comments or questions you may have, and full contact details are provided at the back of this Report.

Outlook

With the investment programme now fully completed, our focus is entirely on managing the existing portfolio and planning to realise capital in order to maximise the potential gains from the portfolio. The average age of the portfolio is still relatively young, and in general our approach is to continue to hold our investments as they increase in scale. If exit opportunities at attractive prices arise they will be pursued vigorously.

Peter Smail

Chairman

24 August 2010

Principal Risks and Uncertainties

Principal Risks and Uncertainties

The Company's assets consist of unquoted investments, securities, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic risks, the loss of approval as a Venture Capital Trust, failure to comply with other regulatory requirements, and broader risks such as reputational, operational and financial risks. These risks, and the way in which they are managed, are described in more detail in the Annual Report for the year ended 31 December 2009, in note 18 to the accounts. The Company's principal risks and uncertainties have not changed materially since the date of that report and it is not envisaged that there will be any changes to the risks and uncertainties in the remaining six months of the financial year.

Related Party Transactions

Details of related party transactions in accordance with Disclosure and Transparency Rule 4.2.8 can be found in Note 9 to the Accounts on page 16.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- (a) the condensed set of financial statements have been prepared in compliance with the Companies Act 2006, applicable accounting standards, ASB Statement on Half-Yearly Financial Reporting and the 2009 Statement of Recommended Practice "Financial Statements of Investment Trust Companies" and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, as required by Disclosure & Transparency Rule 4.2.4; and
- (b) the interim management report includes a fair review of the information required by Disclosure & Transparency Rules 4.2.7 – 8 in accordance with Disclosure & Transparency Rule 4.2.10.

For and on behalf of the Board:

Peter Smail

Chairman

24 August 2010

Investment Portfolio Summary

as at 30 June 2010

	Date of initial investments	Investment cost ⁽ⁱ⁾ £'000	Book cost ⁽ⁱⁱ⁾ £'000	Valuation £'000	% of net assets by value
Unquoted investments					
Kelway Holdings Limited IT services	Nov-06	5,206	9,957	15,068	36.9
SPL Services Limited Provider of courier services to the medical sector	Jul-07	4,911	6,573	8,700	21.3
Brasserie Holdings plc Operator of restaurants in the premium casual dining sector	Apr-06	3,000	2,600	3,000	7.3
Pureleaf Limited (trading as Baxter International) Provider of removal and storage services	Jan-07	4,850	4,016	2,849	7.0
Adapt Group Limited Virtual network operator	Jun-06	1,501	2,066	2,435	6.0
Allied International Holdings Limited Destination management company	Dec-08	2,003	2,003	2,000	4.9
Ark Home Healthcare Limited "Buy & Build" domiciliary care	Jun-10	2,000	2,000	2,000	4.9
CP Newco Limited (comprising Cordingland LLP, A real-estate investment and asset management company)	Dec-08	1,400	1,400	1,400	3.4
Cash for investment		600	600	600	1.5
Colway Limited Office and graphic supplies	May-06	3,500	2,291	1,292	3.2
Augentius Fund Administration LLP Provider of fund management administration services	Oct-06	101	101	101	0.2
Listed securities			1,667	1,087	2.7
Total investments			35,274	40,532	99.3
Net current assets				305	0.7
Net assets				40,837	100.0
Ten Largest Investments					
Kelway Holdings Limited			9,957	15,068	36.9
SPL Services Limited			6,573	8,700	21.3
Brasserie Holdings plc			2,600	3,000	7.3
Pureleaf Limited (t/a Baxter International)			4,016	2,849	7.0
Adapt Group Limited			2,066	2,435	6.0
Allied International Holdings Limited			2,003	2,000	4.9
Ark Home Healthcare Limited			2,000	2,000	4.9
CP Newco Limited			2,000	2,000	4.9
Colway Limited			2,291	1,292	3.2
BlackRock Sterling Liquidity First Fund			581	581	1.4
Total			34,087	39,925	97.8

⁽ⁱ⁾ Original investment cost.

⁽ⁱⁱ⁾ This is based on the investment cost in respect of Core VCT III and fair value in respect of Core VCT I and Core VCT II as at 16 July 2009, the merger date of Core VCT I, Core VCT II and Core VCT III.

Manager's Review

Investment Highlights

- One new investment was completed, totalling £2 million and £1.0 million was invested in one existing portfolio company;
- Investment Portfolio now comprises 10 investments with a cost of £29.1 million and a value of £39.4 million;
- The Company was 91% invested in qualifying companies as at 30 June 2010, exceeding the required minimum to be over 70% invested for VCT purposes.

New Investment

In June, we invested £2 million into Ark Healthcare Limited (utilising BRG Trading Limited), alongside Core VCT IV and Core VCT V which invested £1 million each. Ark is a "buy and build" strategy in the domiciliary/homecare sector, focused on the southern half of the UK.

Existing Investment

We invested a further £1.0 million alongside Core VCT IV and Core VCT V which each invested £0.5 million into Allied International to provide additional working capital funding.

A more detailed description of the status of each investment follows.



Investment Cost	Book Cost	Valuation
£5,206,000	£9,957,000	£15,068,000

Kelway is a fast growing IT business supplying Solutions, Services and hardware to the corporate middle market.

Kelway continues to perform strongly, and achieved a turnover in the year ended 31 March 2010 in excess of £175 million, a growth of over 60% compared to the prior year. Kelway has a strong, ungeared balance sheet with net assets as at 31 March 2010 of approximately £26 million. This performance has been driven through a combination of completed acquisitions and organic growth across all business areas. There are a number of further acquisitions under consideration, the completion of which is likely to be funded from Kelway's currently unutilised borrowing capacity.



Services Limited

SPL Services Limited

Investment Cost	Book Cost	Valuation
£4,911,000	£6,573,000	£8,700,000

SPL Services is a specialist logistic business servicing the pharmaceutical sector, particularly the fast growing clinical trials market.

Since our investment in 2007, the business has developed itself from a small, UK based operation into a business with an increasingly global capability. We have acquired or established operations in India, Australia, Singapore and China as well as strengthening our delivery throughout Europe. We have invested heavily in the management and infrastructure required to support this growth and create a truly scalable platform to take advantage of the growth opportunities that exist in this market.



Brasserie Holdings plc

Investment Cost	Book Cost	Valuation
£3,000,000	£2,600,000	£3,000,000

Owns and operates branded restaurants in the premium casual dining segment of the market.

Trading over the year has been resilient, with restaurant EBITDA increasing by some 20% in the year ended 27 June 2010. This business has a complete, experienced and capable management team in place which can manage a very substantial increase in the number of sites in the business and is developing a Brasserie pub concept to take advantage of the availability of pub sites on the market.



Pureleaf Limited (Baxters International)

Investment Cost	Book Cost	Valuation
£4,850,000	£4,016,000	£2,849,000

Baxters is a long established storage and removals business.

The company has a long standing relationship with the Ministry of Defence, for whom Baxters carries out a significant amount of long term storage. Baxters has a strong balance sheet with substantial net assets, unencumbered freehold assets and no senior bank debt. The business has recently benefited from an improvement in its contracted storage rates.



Adapt Limited

Investment Cost	Book Cost	Valuation
£1,501,000	£2,066,000	£2,435,000

Adapt is a leading independent IT managed services provider, with a focus on co-location and data hosting, connectivity and Internet, managed services and cloud services.

Adapt's performance during the financial year to end of June 2010 remains robust against last year's trading on the back of tough market conditions. The company has maintained a level of approximately 90% of total turnover as being contracted revenues. Profitability has significantly increased from last year, mainly due to efficiency improvements and the lack of integration costs following acquisitions made just prior to the previous financial year. Adapt has made significant investment going into the Managed Services sales capability and there are raised expectations of the level of organic sales in FY11. The company remains interested in bolt-on acquisition opportunities as they arise.

ALLIEDINTERNATIONAL Allied International

Investment Cost	Book Cost	Valuation
£2,003,000	£2,003,000	£2,000,000

Allied is a leading Destination Management Company (DMC) with 26 locations throughout the USA, Europe and the Middle East.

We acquired the business in November 2009 by acquiring all of the senior debt at a substantial discount and providing working capital funding. We acquired the business at a low point in the business cycle, and we believe Allied has the potential to grow organically and by acquisition into a major global operation.

We have introduced new management at a senior level, eliminated senior debt and provided further funding during 2010 to be used for growth and acquisitions. This further investment was £1 million from Core VCT alongside £0.5 million from each of Core VCT IV and Core VCT V. We continue to hold several discussions over potential merger and acquisition targets.

Ark Home Healthcare Limited

Investment Cost	Book Cost	Valuation
£2,000,000	£2,000,000	£2,000,000

Ark is a "buy and build" strategy in the domiciliary/homecare sector, focused on the southern half of the UK.

We co-led this investment alongside Ashridge Capital as part of a total £17.5 million equity commitment in June 2010. Core VCT IV and Core VCT V invested £1 million each and Core VCT invested £2 million. Ark acquired three providers at completion to create an initial trading platform. It intends acquiring a further 15–25 businesses over a three year period to build a substantial homecare group.



Cordingland LLP

Investment Cost	Book Cost	Valuation
£1,400,000	£1,400,000	£1,400,000

Cordingland is an investment management and asset management business in the UK commercial real estate market.

Since our first investment of £1 million in January 2009, Cordingland has strengthened its investment team, recruited an experienced asset management team and now currently manages some £550 million of UK real estate assets. We provided a further £400,000 in December to be utilised to complete the acquisition of Danmerc Limited, a company that advises a group of Danish Pension Funds on their commercial real estate investments in the UK. The investment management division has launched its plans to raise an investment fund.

The investment is held through CP Newco Limited, in which a total of £2 million has been invested.



Colway Limited

Investment Cost	Book Cost	Valuation
£3,500,000	£2,291,000	£1,292,000

Colway is a long established office and graphic supplies business, with three principal divisions – Business, Systems and Retail.

Following the completion of the balance sheet restructuring after the company's senior lender, Kaupthing Singer & Friedlander, was placed into administration, each of the three Core VCTs provided a further £0.5 million (£1.5 million in aggregate) in December 2009 in order to provide funds for the continuation of Colway's acquisition led growth strategy. One further small acquisition has been completed during the period ended 30 June 2010, and further acquisitions are under negotiation and assessment.



Augentius Fund Administration LLP

Investment Cost	Book Cost	Valuation
£101,000	£101,000	£101,000

Augentius is one of the world's leading Private Equity and Real Estate Fund administrators, administering over 300 funds and fund related entities with over 110 staff.

The business operates from London, Guernsey, New York, Hong Kong, Singapore and Mauritius and provides out-sourced administration services to many leading private equity and property funds. This small investment has a cash yield of 9.5%. the business continues to grow strongly, but we have made no increase in the valuation given the very small size of this investment.

Unaudited Income Statement

for the six months ended 30 June 2010

	Notes	Six months to 30 June 2010 (unaudited)		
		Revenue £	Capital £	Total £
Movement in investment holdings	6	–	3,289,295	3,289,295
Net losses on sale of investments	6	–	(21,328)	(21,328)
Income	3	64,485	–	64,485
Transaction costs and investment management expenses		(363)	(896)	(1,259)
Other expenses		(194,704)	–	(194,704)
Return on ordinary activities before taxation		(130,582)	3,267,071	3,136,489
Tax on ordinary activities		(4,604)	–	(4,604)
Return attributable to equity shareholders		(135,186)	3,267,071	3,131,885
Return per Ordinary Share	5	(0.31)p	7.54p	7.23p

The total column of this statement is the profit and loss account of the Company.

The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

There were no other gains or losses in the six months ended 30 June 2010 and accordingly, no statement of Total Recognised Gains and Losses has been prepared.

All revenue and capital items derive from continuing activities.

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2010

	Six months ended 30 June 2010 (unaudited) £	Six months ended 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
Opening Shareholders' funds	37,704,677	13,071,589	13,071,589
Shares issued in connection with merger	–	–	23,061,718
Return for the period	3,131,885	3,412,346	3,717,782
Dividends paid in the period	–	(165,107)	(2,146,412)
Closing Shareholders' funds	40,836,562	16,318,828	37,704,677

Six months to 30 June 2009 (unaudited)			Year to 31 December 2009 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
–	3,651,555	3,651,555	–	4,036,398	4,036,398
–	(4,860)	(4,860)	–	(135,222)	(135,222)
45,696	–	45,696	185,485	–	185,485
1,010	(15,348)	(14,338)	152	(80,199)	(80,047)
(265,707)	–	(265,707)	(303,704)	–	(303,704)
(219,001)	3,631,347	3,412,346	(118,067)	3,820,977	3,702,910
–	–	–	14,872	–	14,872
(219,001)	3,631,347	3,412,346	(103,195)	3,820,977	3,717,782
(1.33)p	21.99p	20.66p	(0.24)p	8.82p	8.58p

Unaudited Balance Sheet

as at 30 June 2010

	Notes	As at 30 June 2010 (unaudited) £	As at 30 June 2009 (unaudited) ¹ £	As at 31 December 2009 (audited) £
Non-current assets				
Investments at fair value	6	40,531,622	14,647,242	36,395,047
Current assets				
Debtors and prepayments		224,744	250,460	513,367
Cash at bank		256,360	1,660,274	1,111,364
		481,104	1,910,734	1,624,731
Creditors: amounts falling due within one year				
Corporation tax		–	(31,226)	–
Accruals		(176,164)	(207,922)	(315,101)
Net current assets		304,940	1,671,586	1,309,630
Net assets		40,836,562	16,318,828	37,704,677
Capital and reserves				
Called up Ordinary share capital	7	4,330	1,651	4,330
Called up B share capital	7	2,887	2,474	2,887
Share premium account	7	30,858,154	7,799,528	30,858,154
Capital reserve	7	4,347,008	890,307	1,079,937
Special distributable reserve	7	5,818,227	7,799,530	5,818,227
Revenue reserve	7	(194,044)	(174,662)	(58,858)
Equity shareholders' funds		40,836,562	16,318,828	37,704,677
Net assets per 0.01p Ordinary Share		94.30p	98.82p	87.07p
Net assets per 0.01p B Share		0.01p	0.01p	0.01p

¹ The assets at 30 June 2009 are prior to the merger of Core VCT 1 plc, Core VCT II plc and Core VCT III plc on 16 July 2009.

Unaudited Cash Flow Statement

for the six months ended 30 June 2010

	Six months ended 30 June 2010 (unaudited) £	Six months ended 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
Operating activities			
Investment income received	162,981	57,450	137,754
Investment management fees paid	(3,527)	3,039	820
Other cash payments	(270,542)	(171,640)	(274,387)
Operating activities in relation to merger	(52,705)	–	(394,157)
Net cash outflow from operating activities	(163,793)	(111,151)	(529,970)
Taxation			
Tax paid	(4,604)	–	(26,507)
Capital expenditure and financial investments			
Purchase of investments	(3,002,788)	(1,112,079)	(2,155,718)
Disposals of investments	2,116,181	1,547,395	3,847,288
Net cash (outflow)/inflow from capital expenditure and financial investments	(886,607)	435,316	1,691,570
Equity dividends paid	–	(165,107)	(2,146,412)
Called up share capital received	200,000	1,200,000	1,400,000
Funds received as part of merger	–	–	421,367
Net cash (outflow)/inflow before financing	(855,004)	1,359,058	810,048
(Decrease)/increase in cash	(855,004)	1,359,058	810,048
Reconciliation of net cash flow to movement in net cash			
(Decrease)/increase in cash	(855,004)	1,359,058	810,048
Opening cash	1,111,364	1,111,364	301,316
Net cash for the period	256,360	2,470,422	1,111,364
Reconciliation of net revenue before taxation to net cash flow from operating activities			
Return on ordinary activities before taxation	3,136,489	3,412,346	3,702,910
Loss on realisations of investments	21,328	4,860	135,222
Movement in investment holdings	(3,289,295)	(3,651,555)	(4,036,398)
Decrease/(increase) in debtors	106,624	15,181	(56,027)
(Decrease)/increase in creditors	(86,234)	108,017	139,291
Movement in merger accruals	(52,705)	–	(414,968)
Net cash flow from operating activities	(163,793)	(111,151)	(529,970)

Notes to the Unaudited Financial Statements

for the six months ended 30 June 2010

1. The unaudited interim results have been prepared on the basis of accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2009. Unquoted investments have been valued in accordance with IPEVC guidelines. Quoted investments are stated at bid prices in accordance with the IPEVC guidelines and UK Generally Accepted Accounting Practice. These statements have been prepared on a going concern basis and nothing has happened that would change the Directors' going concern assessment from the last audited financial statements to 31 December 2009.
2. Earnings for the first six months should not be taken as a guide to the results of the financial year to 31 December 2010.

3. Income

	Six months ended 30 June 2010 (unaudited) £	Six months ended 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
Fixed and variable interest securities	1,295	34,488	40,698
Dividends	–	975	975
Loan stocks	54,542	9,790	142,962
Bank interest	8,648	443	850
Total income	64,485	45,696	185,485

4. Taxation

There will be no tax charge due by the Company since total expenses (including fees allocated to capital) are expected to be more than income. The tax change through the Income Statement was in relation to Core VCT I plc prior to the merger.

5. Earnings and return per share

	Six months ended 30 June 2010 (unaudited) £	Six months ended 30 June 2009 (unaudited) £	Year ended 31 December 2009 (audited) £
(i) Total return after taxation	3,131,885	3,412,346	3,717,782
Basic return per share	7.23p	20.66p	8.58p
(ii) Revenue return from ordinary shares after taxation	(135,186)	(219,001)	(103,195)
Revenue return per share	(0.31)p	(1.33)p	(0.24)p
(iii) Capital return from ordinary shares after taxation	3,267,071	3,631,347	3,820,977
Capital return per share	7.54p	21.99p	8.82p
(iv) Weighted average number of ordinary shares in issue in the period	43,301,414	16,510,859	43,301,414

6. Investments

	Listed (Level 1) £	Unlisted (Level 3) £	Total £
Valuation at 31 December 2009	1,329,350	35,065,697	36,395,047
Purchases at cost	–	3,002,788	3,002,788
Sale proceeds	(116,180)	(2,018,000)	(2,134,180)
Net losses on sale of investments	(21,328)	–	(21,328)
Investment holding (losses)/gains	(105,220)	3,394,515	3,289,295
Valuation at 30 June 2010	1,086,622	39,445,000	40,531,622
Book cost at 30 June 2010	1,666,810	33,607,049	35,273,859
Investment holding (losses)/gains at 30 June 2010	(580,188)	5,837,951	5,257,763
Valuation at 30 June 2010	1,086,622	39,445,000	40,531,622

The Sale proceeds includes deferred consideration of £18,000 which is not included within disposals of Investments in the Cash Flow Statement.

7. Share capital and reserves

	Called-up Ordinary Share Capital £	Called-up B Share Capital £	Share premium account £	Capital reserve £	Special distribu- table reserve £	Revenue reserve £	Total £
As at 31 December 2009	4,330	2,887	30,858,154	1,079,937	5,818,227	(58,858)	37,704,677
Net realised losses on investments	–	–	–	(21,328)	–	–	(21,328)
Movements in investment holdings	–	–	–	3,289,295	–	–	3,289,295
Capitalised management fees	–	–	–	(896)	–	–	(896)
Dividends	–	–	–	–	–	–	–
Net return for the period	–	–	–	–	–	(135,186)	(135,186)
At 30 June 2010	4,330	2,887	30,858,154	4,347,008	5,818,227	(194,044)	40,836,562

8. Net asset values

The net asset values per share, as disclosed in the balance sheet, are based on the attributable assets at the balance sheet date and assume that no break up of the Company will occur. The Board considers that the Articles basis reflects the attribution of assets between the two classes of shares that would occur in the event that a liquidation of the Company took place. On liquidation B Shareholders could be entitled to up to 40% of the assets remaining after Ordinary Shareholders first recover their effective initial cost of 60 pence per share plus the annual hurdle rates due to both share classes, achieved up to the date of liquidation.

Whilst the Board considers that liquidation is unlikely, attributing to the B shares purely the capital contributed of 0.01 pence per share reflects the Board's best estimate at 30 June 2010 of the B shares' entitlement to assets at 30 June, given the inherent uncertainties in projecting the investment performance of the Manager (which will ultimately determine the B shares' entitlement to the Company's assets). The Net Asset Values per share have been calculated by reference to the number of shares in issue as at 30 June 2010.

	As at 30 June 2010 £
Share Capital: 43,301,414 ordinary shares of 0.01p	4,330
28,867,227 B shares of 0.01p	2,887
	7,217

	Total attributable net assets 30 June 2010 £	Net asset value (pence per share)
Ordinary Shares of 0.01p each in accordance with the Articles	32,371,608	74.76
Additional entitlement to assets on attributed basis	8,462,067	19.54
	40,833,675	94.30
B Shares of 0.01p each in accordance with the Articles	8,464,954	29.32
Reduced entitlement to assets on attributed basis	(8,462,067)	(29.31)
	2,887	0.01

9. Related Party Transactions

David Dancaster who was appointed a non executive Director following the death of Lord Walker, is a partner of Core Capital LLP, the Company's Manager, and the group finance director of Caparo plc. No amounts have been paid or are payable to Caparo plc. £nil was due to the Manager at 30 June 2010.

Details of the carried interest arrangements between the Company and the Manager are set out in Note 3 of the Annual Report & Accounts to 31 December 2009.

- The financial information for the six months ended 30 June 2010 and 30 June 2009 has neither been audited or reviewed.
- These are not statutory accounts in terms of Section 434 of the Companies Act 2006. Statutory accounts for the year to 31 December 2009, which received an unqualified audit report, have been lodged with the Registrar of Companies. No statutory accounts in respect of any period after 31 December 2009 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
- Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, 103 Baker Street, London W1U 6LN.

Corporate Information

Directors

Peter Smail (Chairman)
John Brimacombe
David Dancaster

Company Secretary and Administrator

Rhonda Nicoll
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Investment Manager

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Bankers

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Registrar

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Company No : 5572561

Shareholder Enquiries:

For information on your holding, to notify the Company of a change of address or to request a dividend mandate form (should you wish to have future dividends paid directly into your bank account) please contact the Company's Registrars, Capita Registrars Limited, Northern House, Woodsome Park, Fennay Bridge, Huddersfield HD8 0LA (Tel: 0871 664 0300 (calls cost 10p per minute plus network extras), if calling from overseas dial +44 208 639 3399) or should you prefer visit their website at www.capitaregistrars.com.

For enquiries concerning the performance of the Company, please contact the Investment Manager at Core Capital LLP:

Stephen Edwards on 020 3179 0919 or by e-mail on Stephen.Edwards@Core-Cap.com

Walid Fakhry on 020 3179 0915 or by e-mail on Walid.Fakhry@Core-Cap.com

For other Shareholder enquiries please contact the Company Secretary, Rhonda Nicoll on 020 3179 0930 or by email Rhonda.Nicoll@Core-Cap.com

Additional Information:

Core VCT plc is managed by Core Capital LLP which is authorised and regulated by the FSA. Past performance is not a guide to future performance. Stock markets may cause the value of investments 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 the investment.

