

# CORE VCT V PLC

Annual Report and Accounts  
for the year ended 31 December 2011



# Investment Objective

Core VCT V plc is a tax efficient listed company which aims to achieve an attractive return from its underlying investments (Mezzanine and Private Equity Investments), to be distributed to shareholders as tax free dividends of both income and capital gains over time.

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If you have sold or otherwise transferred all of your ordinary shares for Core VCT V plc, please forward this document and accompanying form of proxy as soon as possible to the purchaser or transferee, or to a stockbroker, bank or other agent through whom the sale or transfer was, or is being, effected, for delivery to the purchaser or transferee.

# Performance Summary

## Performance Record

Year ended	Net Assets £m	Net asset value pence	Share price pence	NAV Total Return* (excluding tax reliefs) pence	NAV Total Return* (including initial tax reliefs) pence	Total Expense Ratio† %
2007	10.2	92.86	100.00	92.86	122.86	1.10
2008	9.4	85.46	80.00	85.96	115.96	0.66
2009	9.1	82.51	60.00	89.51	119.51	0.91
2010	9.8	89.31	50.25	96.81	126.81	1.30
<b>2011</b>	<b>6.7</b>	<b>61.14</b>	<b>45.00</b>	<b>78.64</b>	<b>108.64</b>	<b>2.24</b>

\*Source Core Capital LLP

†Operating expenses of the Group, excluding trail commission, third party transaction costs and the costs associated with the Proposals as a percentage of closing net assets.

## Dividends Paid Since Launch

Year ended	Revenue dividend pence	Capital dividend pence	Total annual dividend pence	Cumulative dividends pence
2007	0.5	–	0.5	0.5
2008	1.5	5.0	6.5	7.0
2009	0.5	–	0.5	7.5
2010	–	–	–	7.5
<b>2011</b>	<b>–</b>	<b>10.0</b>	<b>10.0</b>	<b>17.5</b>

# Chairman's Statement

## Results

In my interim Chairman's Statement, I reported that shareholders voted in favour of the Proposals, as outlined in the Circular dated 9 June 2011. From 8 July 2011, the Group holds a partnership interest of 3.09% in Core Capital I LP ("CCILP"). The LP, managed by Core Capital LLP, holds investments in Ark Home Healthcare Limited, Abriand Limited (formerly Brasserie Bar Co. Limited), Colway Limited, Kelway Limited, SPL Services Limited and Core Mezz II Limited (which owns Better at Home Limited). CCILP is a £76 million LP fund of which £46.8 million was raised from new institutional investors.

The Circular reported that the assets were being transferred into CCILP based on the valuations at 31 December 2010 and the effective discount to Core VCT V plc was 19.55%, resulting in the Net Asset Value ("NAV") falling by 9.24% (8.26p per Ordinary Share), when these assets were added to the rest of the portfolio and cash.

Following completion of the transaction on 8 July 2011, a 10p capital dividend was paid to ordinary shareholders on 12 August 2011.

As at 31 December 2011, the Net Asset Value (NAV) Total Return of the Ordinary Shares was 78.64p, comprising a NAV of 61.14p and cumulative dividends paid of 17.50p per Ordinary Share. This is a decrease from the Combined NAV Total Return to 31 December 2010 of 18.77%, (18.17p) per ordinary share and can be summarised as follows:

	Pence per ordinary share
<b>NAV Total Return as at 31 December 2010</b>	<b>96.81</b>
Transfer of assets to CCILP (per Circular to shareholders)	(8.26)
Movement in fair value at the year end	(7.11)
Georgina Goodman Limited write-off	<u>(1.84)</u>
Total movement in fair value for the year (per note 9)	(17.21)
Operating costs, including non-recurring charges of £85,575, relating to the Proposals	(0.96)
<b>NAV Total Return as at 31 December 2011</b>	<b>78.64</b>

All of the VCT qualifying tests have been met throughout the year.

## Investments

Apart from the transfer of assets to CCILP, one new investment totalling £0.58 million was completed during the year in Better at Home Limited ("BAH"). This investment partially utilised Core Mezz II limited with the remaining funds being returned to Core VCT V plc by way of a capital reduction. This investment complements our investment in Ark Home Healthcare Limited. A further £1.0 million was invested in Momentous Moving Excellence and £0.25 million was invested in Allied International Holdings Limited to support working capital requirements for both businesses. Further small investments were completed into two existing portfolio companies, Intercede 2387 Limited (Georgina Goodman Limited), which was subsequently provided for and Ark Home Healthcare Limited, prior to transferring to CCILP. Since CCILP was launched, 77% of the capital committed has been

drawn at the year end. The draw downs have funded an £8.2 million payment to the VCTs, of which Core VCT V plc received £1.4 million. £3.3 million was utilised to purchase management shares in Kelway Limited and £4.6 million was utilised to acquire third party shares and securities in Abriand Limited. A further £12.1 million has been provided to Abriand Limited to fund both working capital requirements and the acquisition of several Chéz Gerard sites in London. A further £0.8 million has also been provided to Ark Home Healthcare Limited to fund an acquisition.

The Manager's Review refers in more detail to the prospects of the investment portfolio, which now comprises 6 investments with an investment cost and a valuation of £6.3 million.

## Dividends

As I mentioned earlier in my statement, a 10p capital dividend was paid to shareholders on 12 August 2011. Your Board is not in a position to recommend a final dividend to shareholders.

## Share Price

The Ordinary Shares (CR5) are fully listed shares. The price is available on [www.londonstockexchange.com](http://www.londonstockexchange.com).

We would remind shareholders that we view the NAV Total Return, rather than 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.

Core VCT V plc 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.

## Annual General Meeting

The Company's Annual General Meeting will be held at 10.30 am on 2 May 2012 at 19 Cavendish Square, London, W1A 2AW. This is a good opportunity for shareholders to meet the Directors and the Manager and I would encourage you to attend.

The Notice of the Annual General Meeting is contained on pages 39 to 40 and a Form of Proxy is enclosed. Shareholders who are unable to attend the Meeting are encouraged to complete and return the Form of Proxy to the Company's registrars so as to ensure that their votes are represented at the Meeting.

## Outlook

The completion of the transfer of certain assets from Core VCT V plc into CCILP has been a significant step and has secured the availability of further capital for the investment portfolio. The Manager is deploying this capital to support the business plans of each of these companies. Notably, the acquisition of the Chéz Gerard estate by Abriand Limited, an investment held by CCILP, has been completed during January 2012. Whilst it is clear that the UK economy will continue to present challenges, it is equally clear that well funded businesses are likely to fare better in a difficult climate.

## Greg Aldridge

Chairman

15 March 2012

# Manager's Review

## Investment Highlights

- One new investment was completed totalling £0.58 million and £1.25 million was invested into two existing portfolio companies;
- Transfer of assets to Core Capital I LP;
- Investment Portfolio now comprises 6 investments with a cost of £6.3 million and a value of £6.3 million;
- The investment in Georgina Goodman Limited and its successor was provided for in full, totalling £254,000.

## New Investment

In January 2011, Core VCT V plc invested £0.58 million into Better at Home Limited ("BAH") (partially utilising Core Mezz II Limited), alongside Core VCT IV plc which invested the same amount. BAH complements our existing investment in the sector, Ark Home Healthcare Limited ("Ark"). Following the transaction, Core Mezz II returned £425,000 to both Core VCT V plc and Core VCT IV plc by way of a capital reduction. In July 2011 Core VCT V plc and Core VCT IV plc invested £1.0 million and £0.75 million respectively in Momentous Moving Excellence ("MME") to support working capital requirements. This investment is also held by Core VCT plc and is a long established storage and removals business. The company has a long standing relationship with the Ministry of Defence, for whom MME carries out a significant amount of long term storage. MME has a strong balance sheet with substantial net assets, freehold assets and a limited amount of senior bank debt.

## Core Capital I LP ("CCILP")

Following the approval of the Proposals on 7 July 2011, as outlined in the Circular dated 9 June 2011, a new limited partnership CCILP was launched by the Manager to provide additional growth capital to Ark Home Healthcare Limited, Abriand Limited (formerly Brasserie Bar Co. Limited), Colway Limited, Kelway Limited, SPL Services Limited and Core Mezz II Limited. All the investments apart from Kelway Limited and SPL Services Limited were previously held by the Company. CCILP closed on 8 July 2011 with a value of £76 million. Commitments totalled £66.4 million, of which the Core VCTs provided £19.6 million (£2.1 million attributable to Core VCT V plc). The remaining £46.8 million was raised from new investors of which £8.2 million was utilised in providing liquidity to the Core VCTs, the majority of which was distributed. The Circular stated that £27.3 million would be committed to provide growth capital for the portfolio companies and a further £7.4 million would be committed to be used to acquire additional shares in the portfolio companies. We are progressing well with the plan and as at 31 December 2011, the secondary shares have been purchased in Kelway Limited and Abriand Limited (this totalled £7.9 million). We have also provided £12.1 million to Abriand Limited to fund both working capital requirements and the acquisition of Chéz Gerard sites and £0.8 million to Ark Home Healthcare for a further acquisition. Therefore, as at 31 December 2011, of the £46.8 million of new money received, £31.3 million has been utilised, leaving total remaining capital to be called of £15.5 million.

## Existing Investment

We reported at the 2010 year-end that the holding company of Georgina Goodman Limited was placed in administration as part of a restructuring. At this point Core VCT V plc had invested £203,000. The major investor had agreed to support the company with a £2.2 million injection of further funding, to which Core VCT V plc would contribute £138,000. However, on 2 June 2011, the major investor withdrew their support for the refinancing and the company was placed into administration. The investment of £203,000 has been written off in full in Georgina Goodman Limited. However, we invested a further £51,000 in February 2011 through Intercede 2387 Limited in order to acquire the rights and Intellectual Property of the Georgina Goodman brand. We will continue to hold this investment but as of 31 December 2011, the value has been written down to nil.

We invested a further £0.25 million in Allied International Holdings Limited to fund working capital requirements.

We also invested a further £5,000 in Ark by way of a secondary purchase of shares from management, prior to transferring into CCILP.

Following the approval of the Proposals on 7 July 2011, we are not intending to make any new investments. Our focus is now purely on managing the portfolio to exit.

# Manager's Review

## Core Capital I LP

## Limited Partnership Fund

All Core Capital LLP managed funds

First Investment:	Jul-11
Total Investment Cost:	£19,638,000
Total held:	29.56%

Core VCT V plc only (through Core V BVI Limited)

Cost:	£2,054,000
Valuation:	£2,299,000
Valuation basis:	% of Fund Value
% held:	3.09%

CCILP closed on 8 July 2011 with a value of £76 million.

Since the launch of CCILP, £50.9 million has been drawn to 31 December 2011. Growth capital of £12.1 million was provided to Abriand Limited (formerly Brasserie Blanc Limited) to fund both working capital requirements and the acquisition of several Chéz Gerard sites in London, and £0.8 million was provided to Ark Home Healthcare Limited for a further acquisition. The fund has also invested £7.9 million in secondary shares in both Kelway Limited and Abriand Limited, as part of a wider reorganisation.

As at 31 December 2011, the value of CCILP is £74.4 million and commitments totalling £15.5 million remain to be called from investors.

The fair value of the assets held by CCILP are detailed on page 5.

## Allied International Holdings Limited

## Destination Management Company

All Core Capital LLP managed funds

First Investment:	Nov-09
Total Cost:	£6,649,000
Total equity held:	65.5%

Core VCT V plc only

Cost:	£2,202,000
Valuation:	£2,012,000
Valuation basis:	Gross Profit Multiple
% of equity held:	21.6%

Year ended 31 December (unaudited management accounts)	2011 USD'000	2010 USD'000
Sales	42,138	31,445
Pre-HQ EBITDA	2,058	(491)
Post-HQ EBITDA	(937)	(1,991)
Net assets	1,254	5,310



Allied is a turnaround investment and is a leading Destination Management Company (DMC) with 27 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. 2009 represented 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 2011 to be used for growth. This further investment was £0.25 million from each of Core VCT IV plc, Core VCT V plc, and Core VCT plc.

## Camwatch Limited

## CCTV Monitoring Systems

All Core Capital LLP managed funds

First Investment:	Mar-08
Total Cost:	£1,986,000
Total equity held:	14.4%

Core VCT V plc only

Cost:	£993,000
Valuation:	£1,000,000
Valuation basis:	Earnings Multiple
% of equity held:	7.2%

Year ended 31 March	2010 £'000	2009 £'000
Sales	4,378	3,895
EBIT	142	(3)
Loss before tax	(804)	(776)
Net assets	4,583	4,200



Camwatch is a designer, supplier, and installer of detector activated remote CCTV monitoring systems and provides a 24/7 remote monitoring service for over 20,000 cameras across the UK and abroad.

Camwatch has continued with its investment in its sales capability, and is starting to see the benefits of its joint venture with JCB in placing more camera towers in the field. This investment is held in a junior secured structure, with the majority of our anticipated return being earned through an attractive paid yield and redemption premium.

## Pureleaf Limited (trading as Momentous Moving Excellence)

## Storage and Removals Business

All Core Capital LLP managed funds

First Investment:	Jan-07
Total Investment Cost:	£6,611,000
Total equity held:	49.9%

Core VCT V plc only

Cost:	£1,005,000
Valuation:	£1,005,000
Valuation basis:	Cost
% of equity held:	49.9%

Year ended 31 May	2011 £'000	2010 £'000
Sales	5,363	4,693
EBIT	338	(216)
Loss before tax	(47)	(573)
Net liabilities	(1,864)	(1,881)



Momentous Moving Excellence ("MME") is a long established storage and removals business.

Formerly Baxters, the company has a long standing relationship with the Ministry of Defence, for whom MME carries out a significant amount of long term storage. MME has a strong balance sheet with substantial net assets, freehold assets and modest debt levels. The business has recently benefited from an improvement in its contracted storage rates as well as growth in its individual corporate relocation business which has improved the profits in the business.

# Investment Portfolio Summary

for the year ended 31 December 2011

Group	Date of initial investment	Book cost £'000	Valuation £'000	% of net assets by value
<b>Unquoted Investments</b>				
<b>Core Capital I LP</b> Limited partnership fund	Jul-11	2,054	2,299	34.1
<b>Allied International Holdings Limited</b> Destination management company	Nov-09	2,202	2,012	29.9
<b>Pureleaf Limited (trading as Momentous Moving Excellence)</b> Provider of removal and storage services	Jul-09	1,005	1,005	14.9
<b>Camwatch Limited</b> Designer, supplier and installer of detector activated remote CCTV monitoring systems	Mar-08	993	1,000	14.8
<b>Cording Land LLP</b> Real-estate investment and asset management company	Jul-09	10	10	0.1
<b>Intercede 2387 Limited</b> Shell company preparing to trade in high end ladies shoes and retail	Feb-11	51	–	–
<b>Total investments</b>		<b>6,315</b>	<b>6,326</b>	<b>93.8</b>
<b>Net current assets</b>			<b>415</b>	<b>6.2</b>
<b>Net assets</b>			<b>6,741</b>	<b>100.0</b>

As at 31 December 2011, the fair value of the assets held by CCILP are:

	£'000
Ark Home Healthcare Limited	2,934
Abriand Limited	22,706
Colway Limited	3,857
Core Mezz II Limited (which owns Better at Home Limited)	1,150
Kelway Limited	23,628
SPL Services Limited	3,615
	57,890
Net Current Assets	16,464
<b>Total Fund Value</b>	<b>74,354</b>
<b>Group's interest in CCILP</b>	<b>2,299</b>

# Board of Directors

## Greg Aldridge

*Status: Independent, non-executive Director*

*Date of appointment: 9 April 2009*

Greg is Corporate Development Director of Interior Services Group plc, the £1bn turnover AiM listed international construction services group. Prior to joining ISG in January 2008 he was a Managing Director in corporate finance at Bridgewell, the investment bank. He was a founder director of Bridgewell and prior to that a corporate finance director of Singer & Friedlander Limited.

## Paul Richards

*Status: Non-executive Director*

*Date of appointment: 6 December 2006*

Paul Richards is an experienced corporate finance professional and a partner in Murphy Richards Capital LLP. Prior to forming Murphy Richards Capital LLP, he worked for Fairfax IS PLC, Collins Stewart and Hoare Govett. Paul initially qualified as a Solicitor specialising in corporate and insolvency law. He is a director of Q Resources PLC and Tantalus Rare Earths AG. Paul is also a director of Core VCT IV plc and was formerly a partner of Core Capital LLP.

## David Harris

*Status: Senior Independent Director & Chairman of the Audit Committee*

*Date of Appointment: 25 August 2010*

David is chief executive of InvaTrust Consultancy Ltd, a specialist investment and marketing consultancy group that undertakes a variety of projects within the investment fund management industry. He was previously a director responsible for training, education and marketing issues at the Association of Investment Companies. David is currently a non executive director of The Character Group plc, COBRA Holdings plc, Aseana Properties Ltd, Small Companies Dividend Trust plc, Manchester and London Investment Trust plc, F&C Managed Portfolio Trust plc and SDF Productions Ltd.



# Directors' Report

## Results and Dividends

The Directors submit the Annual Report and Accounts of the Group and Company for the year ended 31 December 2011.

The Group financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union as is required for group financial statements.

A capital dividend of 10p was paid on 12 August 2011 following completion of the Proposals. The Board is not in a position to pay a final dividend.

In previous years the Company accounts were prepared in accordance with UK Generally Accepted Accounting Practice ('UK GAAP'). Following the completion of the Proposals, explained below, the Company owns a subsidiary which holds a partnership interest in a new LP. In accordance with Chapter 4 of the Disclosure and Transparency Rules, consolidated accounts must be prepared in accordance with IFRS.

**Company Number: 5957415**

## Adoption of Proposals and Capital Dividend

A Circular dated 9 June 2011 was sent to shareholders outlining Proposals to secure £46.8 million of additional capital from new institutional investors which would be used to:

- support the development of Ark Home Healthcare Limited, Abriand Limited, Colway Limited, Core Mezz II Limited, Kelway Limited and SPL Services Limited (the "Portfolio Companies").
- support the acquisition of further shares in Abriand Limited and Kelway Limited to increase participation in the value growth that is expected to be created from the new investment.
- provide early liquidity for shareholders by way of an enhanced interim dividend of 10p per ordinary share.

At the General Meeting which was held on 7 July 2011 an overwhelming majority of shareholders voted in favour of the Proposals. On completion of the transfer, Core VCT V plc received a cash sum of £1,394,000 and held through Core V (BVI) Limited, a wholly owned subsidiary, a 3.09% interest in Core Capital I LP. A 10p capital dividend was paid to ordinary shareholders on 12 August 2011.

The assets were transferred into Core Capital I LP based on the audited accounts as at 31 December 2010 and adjusted for further investment since the year end. The effective discount, prior to payment of the dividend, was 19.55% for Core VCT V plc. Based on the NAV as at 31 December 2010, this was equivalent to a reduction in the Company's NAV of 9.24%.

The Circular stated that £46.8 million of additional capital would be used for the following purposes:

	£m
Growth capital for the Portfolio Companies	27.3
Capital to acquire additional shares in the Portfolio Companies	7.4
Cash to enable the Cash Distributions to be made	6.5
Capital for the cost of the transaction and future operating costs of CCILP	3.9
Capital available for investment in the Residual Portfolio	1.7
<b>Total</b>	<b>46.8</b>

## Principal Activity and Status

The Company is registered as a Public Limited Company under the Companies Act 2006. The Company has revoked investment company status in order to effect the payment of capital dividends. The Directors have managed, and intend to continue to manage, the Company's affairs in such a manner as to comply with Section 274 of the Income Tax Act 2007 which grants approval as a VCT. The Company's shares are listed on the official list and traded on the main market of the London Stock Exchange.

The Company is required to comply with company law, the rules of the UK Listing Authority, IFRS, and its Articles of Association.

The Company is a member of the Association of Investment Companies (the 'AIC').

## Subsidiary

The Company has a 100% interest in Core V (BVI) Limited, which is a limited company domiciled in the British Virgin Islands. Core VCT V (BVI) Limited's principal objective is to hold an interest in Core Capital I LP, a new Limited Partnership formed by the Manager.

# Directors' Report

## Business Review

### *Board of Directors*

The Board of Directors is responsible for the overall stewardship of the Company, including investment and dividend policies, corporate strategy, corporate governance and risk management. Biographical details of the Directors, all of whom are non-executive, can be found on page 6.

### *Investment Objective*

The investment objective of the Company is to achieve an attractive return from its underlying investments (Mezzanine and Private Equity Investments), to be distributed to shareholders as tax-free dividends of both income and capital gains over time.

Core VCT V plc will invest alongside Core VCT IV plc, and has a co-investment policy with Core VCT plc which is also managed by Core Capital LLP ('the Manager' or 'Core Capital').

### *Investment Approach*

Core Capital invests primarily in:

- Established private companies, which show sufficient operating critical mass, with an established economic model, and able, motivated management teams with the key skills in place to deliver a well-defined business plan.
- Total investment sizes are typically £3 to £8 million, of which £1 to £3 million may typically be provided by the Company.

### *Fund Structure*

The Company is structured as follows:-

#### ● **No Annual Management Fees**

There are no annual management fees paid to Core Capital. Instead, Core Capital receives a share of the investment profits generated from the underlying investments;

#### ● **Provides attractive distributions**

The Company intends to provide shareholders with an attractive level of income by distributing available profits generated through income and capital gains.

### *Investment Policy*

The Company may invest all of its assets in 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 businesses. 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 assets are not held in unquoted investments.

### *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. Amongst other conditions, the Company may not invest more than 15% of its VCT value in a single company and must have at least 70% by value of its investments throughout the period in shares or securities comprised in qualifying holdings, of which 30% by value must be ordinary shares which carry no preferential rights.

### *Risk Management*

The Company's assets consist of 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.

### *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 substantial borrowings from third party lenders.

### **Strategy**

As part of its strategy, the Board has contractually delegated the management of the investment portfolio and other services to the Manager.

The Company's performance in meeting its objectives is measured against key performance indicators as set out below. A review of the Company's returns during the financial year, the position of the Company at the year-end, and the outlook for the coming year is contained in the Chairman's Statement on page 2 and the Manager's Review on pages 3 to 4, both of which form part of the Business Review.

### **Principal Risks and Uncertainties and Risk Management**

The Board believes that the principal risks faced by the Company are:

- Economic risk – events such as an economic recession, movements in interest rates and the availability of debt finance could affect small companies' valuations.
- Loss of approval as a Venture Capital Trust – the Company must comply with Section 274 of the Income Tax Act 2007 which allows it to be exempt from capital gains tax on investment gains. Any breach of these rules may lead to the Company losing its approval as a VCT.
- Investment and strategic – incorrect strategy, asset allocation, and stock selection could all lead to poor returns for shareholders. The underlying investments may also need significant funding which is not in accordance with VCT legislation.
- Regulatory – breach of regulatory rules could lead to suspension of the Company Stock Exchange Listing, financial penalties or a qualified audit report.
- Operational – failure of the Manager's accounting systems or disruption to the Manager's business could lead to an inability to provide accurate reporting and monitoring, leading to a loss of shareholders' confidence.
- Financial – inadequate controls by the Manager could lead to misappropriation of assets. Inappropriate accounting policies may lead to misreporting or breaches of regulations.

The Board seeks to mitigate and manage these risks through continual review, policy setting, shareholder communication and enforcement of contractual obligations and monitoring progress and compliance. Details of the Company's internal controls are described in more detail on page 13.

### **Performance and Key Performance Indicators (KPIs)**

The Board reviews performance by reference to a number of measures, taking account of the long term nature of the assets in which the Company invests.

#### **Total Return**

The Total Return (Net Asset Value plus cumulative distributions) is the key measure of performance for the Company. The two principal components of this measure are:

- **Net Asset Value (NAV)**

NAV is calculated quarterly, with a full valuation of the unquoted investments carried out every six months in accordance with the International Private Equity and Venture Capital Valuation guidelines.

- **Cumulative Distributions**

Cumulative distributions are since inception distributions of both income and capital. The Company has no fixed life, but intends to liquidate naturally and distribute all its assets over time. In particular, the Company has a policy to distribute the proceeds from realised investments (the original capital investment plus realised profits less losses), as well as income after expenses, subject to retaining capital for further investment in the underlying portfolio companies. In addition, the Company intends to return cash assets after the initial three year investment period.

#### **Total Expense Ratio**

The expenses of managing the Company, known as the Total Expense Ratio (TER), are reviewed by the Board at board meetings. Because the Company has no management fee payable to Core Capital, the Company is expected to have one of the lowest fixed costs of any VCT of comparable size.

A historical record of these indicators is contained in the Performance Summary on page 1.

### **Share Capital**

As at 31 December 2011 the issued Ordinary Share capital of the Company was £1,102 (2010: £1,102). The number of shares in issue as at 31 December 2011 was 11,024,969 Ordinary Shares (2010: 11,024,969). The holders of Ordinary Shares are entitled to receive notice of, attend and vote at all general meetings of the Company. Each share carries the right to one vote and there are no restrictions on voting rights.

### **Directors and their interests**

Biographies of the Directors are shown on page 6.

# Directors' Report

In accordance with the Company's Articles of Association, Greg Aldridge will retire by rotation, and being eligible will offer himself for re-election, at the Annual General Meeting.

Paul Richards was appointed to the Board on 6 December 2006 and is also a non-executive Director of Core VCT IV plc. He was until recently a partner of Core Capital LLP. In accordance with the AIC's Code of Corporate Governance ("AIC Code"), Paul Richards is not deemed independent and will retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-election on an annual basis.

The Board confirms that, following informal performance evaluations, the performance of each of the Directors offering themselves for re-election continues to be effective and demonstrates commitment to the role. It believes that it is in the interests of shareholders that the Directors are re-elected.

The Directors who held office at the end of the year and their interests in the shares of the Company were:

	2011 Ordinary Shares	2010 Ordinary Shares
Greg Aldridge	–	–
David Harris	–	–
Paul Richards	5,275	5,275

There have been no further changes in the holdings of the Directors since 31 December 2011. No options over the share capital of the Company have been granted to the Directors. No Director, apart from David Harris, has a service contract with the Company. The Company does not have any employees.

## Management

Core Capital LLP was appointed Manager to the Company on 7 December 2006. The Management Agreement is for an initial period of five years and thereafter until their appointment is terminated by not less than one year's notice in writing to expire at any time after the initial period. The Manager receives no annual fee but instead is entitled to a performance incentive in the form of a profits share, whereby the Manager is entitled to receive 30% of the investment profits. For further information please see note 3 to the accounts on page 27. The Directors regularly review the performance of the Manager and carry out an annual evaluation. They believe that the continuing appointment of the Manager on the terms agreed is in the interests of the shareholders as a whole. For further details of the review please see the Directors' Report on pages 12 to 13.

Core Secretarial Services LLP acts as both Administrator and Company Secretary to the Company under an Agreement dated 24 August 2010. An administration fee of £170,000 (exclusive of VAT) is charged per annum to the Core VCTs and a Fee Percentage (the proportion (represented as a percentage) which the Company's net asset value bears to the aggregate net asset value of all the VCTs is attributed to each VCT. This agreement was terminated on 11 February 2012 and was replaced with an agreement with Core Capital LLP. The only other change to the new agreement is that the fee charged to Core VCT V plc will be fixed at £30,000 per annum (excluding VAT).

## Corporate Governance

The Directors of Core VCT V plc have adopted the AIC Code for the year ended 31 December 2011 available at the website [www.theaic.co.uk](http://www.theaic.co.uk). The AIC Code addresses all principles set out in Section 1 of the UK Corporate Governance Code ('the Code'), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Financial Reporting Council (FRC) has confirmed that in complying with the AIC Code the Company will meet its obligations in relation to the Code and paragraph 9.8.6 of the Listing Rules.

The Company believes that reporting against the principles of the AIC Code will provide more relevant information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Code except where noted below. There are certain areas of the Code that the AIC does not consider relevant to investment companies, and with which the Company does not specifically comply, for which the AIC Code provides dispensation. These areas are as follows:

- The role of the chief executive
- Executive directors' remuneration
- The need for an internal audit function

As an externally managed investment company, the Company does not employ a chief executive, nor any executive directors. The systems and procedures of the Manager, the provision of VCT monitoring services by PricewaterhouseCoopers LLP, as well as the size of the Company's operations, gives the Board full confidence that an internal audit function is not necessary.

The Company is therefore not reporting further in respect of these areas.

### **The Board**

The Board comprises three non-executive Directors. Each brings a range of relevant expertise, experience and judgement to the Board. The Company has appointed David Harris as Senior Independent Director and he is available as an alternative channel of communication should communication with the Chairman not be appropriate. The Directors believe that this structure is the most appropriate for the Company given its current size and the nature of its business.

All the Directors are equally responsible under Company law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all the Company's shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

At least four formal Board meetings are scheduled every year and other meetings are held as necessary. There is a schedule of matters specifically reserved for decision by the Board. These include compliance with the requirements of the Companies Act, the UK Listing Authority and the London Stock Exchange; changes relating to the Company's capital structure or its status as a VCT. The primary focus at each quarterly Board meeting is overall strategy and a review of investment performance, including but not limited to, asset allocation, investor relations, peer group information and issues affecting the investment industry as a whole.

### **Audit Committee**

The Board has appointed an Audit Committee. The Audit Committee, which is chaired by David Harris, operates within written terms of reference clearly setting out its authority and duties, which is available upon request.

The Audit Committee is comprised of the full Board. This is a departure from Principle C.3.1 of the AIC Code which recommends that the constitution of the Audit Committee should be 2 independent Directors plus the Audit Committee Chairman. Paul Richards is a member of the Audit Committee but is not independent. Given the size and structure of the Company the Board is satisfied with the constitution of the Audit Committee.

The duties of the Audit Committee in discharging its responsibilities include reviewing the Financial Statements, the system of internal controls, and the terms of appointment

of the auditor together with their remuneration. The objectivity of the auditor is reviewed by the Audit Committee, which also reviews the terms under which the external auditor is appointed to perform non-audit services. It also provides a forum through which the auditor may report to the Board of Directors and meets twice yearly. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regards to non-audit fees. Such non-audit fees paid to the Company's auditor, Ernst & Young LLP, amounted to £8,920 for the year ended 31 December 2011 (2010: £2,350) and related to agreed upon procedures with respect to the half yearly accounts and the provision of taxation services. Notwithstanding such services the Audit Committee considers Ernst & Young LLP to be independent of the Company.

Given the size and structure of the Company the Board does not believe it necessary to appoint a Remuneration Committee or Nomination Committee. The roles and responsibilities of these Committees have been included in a schedule of matters specifically reserved for decision by the Board.

The table below sets out the number of Board and Committee meetings held during the year to 31 December 2011 and the number of meetings attended by each Director.

	Board	Audit Committee	Ad hoc
No. of meetings	4	2	3
Greg Aldridge	4	2	3
David Harris	4	2	3
Paul Richards	2	0	0

The Ad hoc meetings related to the Proposals and Paul Richards was not permitted to attend due to his involvement with Core Capital LLP.

A procedure has been adopted for individual Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. The Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring board procedures are followed. Both the appointment and removal of the Company Secretary are matters for the Board as a whole. Where Directors have concerns, which cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in the Board minutes. On resignation, a Director who has any such

# Directors' Report

concerns should provide a written statement to the Chairman, for circulation to the Board. The Board has satisfied itself that it has sufficient resources to undertake its duties.

All of the Directors are subject to re-election by shareholders at the first Annual General Meeting following their appointment and, subject to the provisions of the Companies Act 2006, one-third of the Directors shall retire from office by rotation at each AGM and this Director shall be the Director who has been longest in office since their last election. Notwithstanding the above provision, each Director is required to submit himself for re-election in any period of three consecutive Annual General Meetings.

	Date of appointment	Last re-election	Next retirement by rotation/re-election due
Greg Aldridge	9-Apr-2009	AGM 2009	AGM 2012
Paul Richards	6-Dec-2006	AGM 2010	AGM 2012
David Harris	25-Aug-2010	AGM 2011	AGM 2013

In terms of overall length of tenure, the AIC Code does not explicitly make recommendations. Some market practitioners feel that considerable length of service (which has generally been defined as a limit of 9 years) may lead to the compromise of a director's independence. Whilst the Company has not been in existence long enough for the Board to consider that this is an issue (having commenced operations in 2007), the overall matter of directors' independence is taken extremely seriously, as discussed below. If the matter becomes relevant in future years, the Board will consider length of tenure of directors at the appropriate time.

The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement and has concluded that all of the Directors, with the exception of Paul Richards, were independent of the Manager in the year. The AIC Code recommends that directors who sit on the boards of more than one company managed by the same Manager should not be regarded as independent. The Board believes that Paul Richards appointment to the Board of Core VCT IV plc does not unduly affect his independence from the Manager due to the parallel investments which both VCTs intend to make. Paul Richards was until recently a partner of Core Capital LLP and was not involved in management contract discussions during that time. The Board places great emphasis on the

requirement for the Directors to disclose their interests in investments (and potential investments) and has instigated a procedure whereby a Director declaring such an interest does not participate in any decisions relating to such investments.

The Board aims to include a balance of skills, experience and length of service that the Directors believe to be appropriate to the management of the Company. The Board reviews all candidates for new appointments and candidates are selected based on the skills and experience that the Board believes will fill any gaps that the Board may have. The Board offers an induction procedure to all new directors and all directors may choose relevant training as and when required. The AIC Code provides that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors. In order to review its effectiveness, the Board carries out a process of formal self appraisal. The Directors consider how the Board function as a whole and also review the individual performance of its members. This process is led by the Chairman and the Senior Independent Director and encompasses quantitative and qualitative measures of performance implemented by way of an evaluation survey questionnaire and Board discussion. It also forms the basis of the decision on whether or not Directors are nominated for re-election at the relevant intervals. This process has been carried out in respect of the year under review and will be conducted on an annual basis.

## *The Manager*

Under the terms of a Management Deed dated 7 December 2006, the Company has appointed Core Capital LLP as Manager of the Company. The Manager manages and advises the Company so that it ensures that the Company satisfies and continues to satisfy the conditions for approval as a venture capital trust as set out in section 274 of Income Tax Act 2007 and the rules of the UKLA. The Board and Manager operate in a supportive, co-operative and open environment and the Board regularly reviews the performance of the Manager. Details of the principal investments made by the Company are given in the Manager's Review on pages 3 to 4. There are no management fees payable to the Manager. Details of the management incentive structure whereby the Manager is entitled to receive 30% of the investment profits are set out in Note 3 to the accounts on page 27.

The continued appointment of Core Capital LLP as Manager to the Company on the existing terms was approved by the

Board on 15 March 2012. The Board considers the arrangement for the provision of investment management and other services to the Company on an ongoing basis and a review is conducted annually.

As part of this review the quality of management and levels of staffing, the investment process and the results achieved to date was considered.

The principal contents of the agreement with the Manager have been set out in the previous section. Having considered the terms of this agreement, the Board considers that they represent an appropriate balance between cost and incentivisation of the Manager, with the principal economic reward to the Manager consisting of the profits share from investment profits.

#### ***Internal Control***

The Board acknowledges that it is responsible for the Company's system of internal control. Internal control systems are designed to manage the particular needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors are responsible for the internal control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of published financial information and the information used for business making decisions and that the assets of the Company are safeguarded.

The Board has put in place ongoing procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process an annual review of the control systems is carried out in accordance with the Turnbull guidelines for internal control. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company. Each risk is considered with regard to: the controls exercised at Board level; reporting by service providers and controls relied upon by the Board; exceptions for consideration by the Board; responsibilities for each risk and its review period; and risk rating. Investment risk is managed to the Board's satisfaction by the Manager, primarily through the medium of a balanced and diversified portfolio; this approach is described in more detail in the Manager's Review.

The Board has delegated contractually to third parties the management of the investment portfolio, the day to day accounting, company secretarial and administration

requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board. The annual review includes a consideration of the risks associated with the Company's contractual arrangements with third party suppliers.

This procedure for the review of control systems has been in place and operational throughout the year under review and up to the date of this report. The Board has identified no significant problems with the Company's internal control mechanisms that warrant disclosure in the Annual Report.

#### ***Directors' Remuneration***

The remuneration of the Directors is determined by the Board, in accordance with the Company's Articles of Association. The Articles currently stipulate a maximum total Board remuneration of £100,000 per annum. The Board as a whole reviews the remuneration policy of the Company. Further details can be found in the Directors' Remuneration Report on pages 16 to 17.

#### ***Conflicts of Interest***

The Companies Act 2006 set out directors' general duties and from 1 October 2008 a Director, under this Act, must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interest. The requirement is very broad and could apply, for example, if a Director becomes a director of another company or a trustee of another organisation. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. The Company's Articles give the Directors authority to approve such situations.

The Company maintains a register of Directors' conflicts of interest which have been disclosed and approved by the other Directors. This register is kept up-to-date and the Directors are required to disclose to the company secretary any changes to conflicts or any potential new conflict.

#### ***Relations with Shareholders***

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. The Chairman and other Directors are available to meet shareholders if required. The Annual General Meeting of the Company provides a forum both formal and informal, for shareholders to meet and discuss issues with the Directors

# Directors' Report

and Manager of the Company. Details of the resolutions to be proposed at the forthcoming Annual General Meeting on 2 May 2012 can be found in the Notice of Meeting on pages 39 to 40.

## **Going Concern**

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future whilst the Manager is managing the portfolio to exit. In arriving at this conclusion the Directors have considered the liquidity of the Company and its ability to meet obligations as they fall due for a period of at least twelve months from the date of these financial statements were approved. At 31 December 2011, the Company held cash balances of £0.5 million. Cashflow projections have been reviewed and show that the Company has sufficient funds to meet its contracted expenditure. The Company has no external loan finance in place and therefore is not exposed to any gearing or covenants.

## **VCT Status Monitoring**

The Company appointed PricewaterhouseCoopers LLP (PwC) to advise on its compliance with the legislative requirements relating to VCTs. PwC carry out regular reviews of the Company's investment portfolio.

## **Auditor**

Ernst & Young LLP were re-appointed as Auditor of the Company at the Annual General Meeting held on 20 June 2011. Ernst & Young LLP have expressed their willingness to continue in office as auditor and resolutions to re-appoint Ernst & Young LLP and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

## **Auditor's Right to Information**

So far as the Directors are aware, there is no relevant audit information of which the auditor is unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## **Financial Instruments**

The main risks arising from the Company's financial instruments are due to fluctuations in the market price and

interest rates, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in note 17 on pages 33 to 37.

## **Substantial Interests in Share Capital**

As at 15 March 2012 the Company had not been notified of any beneficial interest exceeding 3% of the issued share capital.

## **Creditors' Payment Policy**

The Company's creditor policy is to agree terms of payment before business is transacted, to ensure suppliers are aware of these terms and to settle bills in accordance with them. The Company did not have any material trade creditors at the year end or the previous year end.

## **Annual General Meeting**

A notice and proxy form for the Annual General Meeting of the Company to be held at 10.30 am (or as soon thereafter as the Annual General Meeting of Core VCT IV plc has concluded) on 2 May 2012 at 19 Cavendish Square, London, W1A 2AW are set out on pages 39 to 40 of this Annual Report.

In addition to the ordinary business, the following resolutions will be considered at the Annual General Meeting:

## **Authorities for the Directors to Allot Shares (Resolution 7) and the Disapplication of Pre-emption Rights (Resolution 8) under sections 551 and 571 of the Companies Act 2006 ("the Act")**

These two resolutions grant the Directors the authority to allot shares for cash to a limited and defined extent otherwise than pro rata to existing shareholders. Resolution 7 will enable the Directors to allot up to an aggregate nominal amount not exceeding £55, representing approximately 5% of the issued share capital. This resolution is proposed as an ordinary resolution and will require the approval of more than 50% of the votes cast at the meeting. The authority, unless previously renewed or revoked, will expire at the conclusion of the Company's next annual general meeting held after the passing of the resolution.

Under section 561 of the Act, if the Directors wish to allot any of the unissued share capital for cash they must first offer such shares to existing shareholders in proportion to their current holdings. Resolution 8 will enable this requirement to be disapplied in the specific circumstances named in the



Resolution. These are in relation to a rights issue, and in respect of allotment of equity securities up to a nominal amount not exceeding £55. This resolution is proposed as a special resolution and will require the approval of at least 75% of the votes cast at the meeting.

The authority, unless previously renewed or revoked, will expire on the earlier of the Annual General Meeting of the Company to be held in 2013 except that the Directors may allot securities after this date in pursuance of offers or agreements made prior to the expiration of the authority.

Both resolutions generally renew previous authorities approved on 20 June 2011 respectively. The Directors have no immediate intention of exercising these powers.

### **Authority to Purchase the Company's Own Shares (Resolution 9)**

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the Act.

The authority is limited to a maximum number of 1,652,642 ordinary shares equal to approximately 14.99% of the issued share capital at the date of the resolution and will expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2013 and 2 August 2013. The maximum price (exclusive of expenses) which may be paid for

an ordinary share will be the amount equal to 105% of the average of the middle market quotations for the Company's ordinary shares as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the purchase. The minimum price which may be paid is 0.01 pence per share, i.e. the nominal value of the shares.

Shareholders should note that the Directors will not exercise this authority unless to do so would result in an increase in net assets per share and would be in the interests of shareholders generally. This resolution is proposed as a special resolution and will require the approval of at least 75% of the votes cast at the meeting.

### **Recommendation**

The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

**Rhonda Nicoll**  
*Company Secretary*  
15 March 2012

# Directors' Remuneration Report

This Report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006. A resolution to approve the Report will be proposed at the Annual General Meeting to be held on 2 May 2012. The Company's auditor is required to give their opinion on the specified information provided on Directors' emoluments and this is explained further in their report to shareholders on pages 19 to 20. The figures that are audited are indicated as such.

## Remuneration Policy

The remuneration policy and the remuneration of individual Directors is determined by the Board as a whole. When considering the level of Directors' fees, the Board takes account of remuneration levels elsewhere in the Venture Capital Trust industry and other relevant information. It considers the levels and make-up of remuneration which are sufficient to attract, retain and motivate directors of the quality required to run the Company successfully and reflect the time commitment and responsibilities of the roles. The Board has access to independent advice where it considers it appropriate. However, no such advice was taken during the period under review.

It is not considered appropriate at the current time to relate any portion of the fees paid to the Directors, who are all non-executive, to performance.

The Directors do not have any plans to introduce any further incentive schemes at the present time and will seek shareholder approval for any such schemes should they be proposed in the future.

The Company's Articles of Association limit the total amount that can be paid to the Directors in fees to £100,000 per annum. It is intended that the above policy will continue for the year ending 31 December 2012 and subsequent years.

Details of the Directors' remuneration are disclosed below and in the Notes to the Accounts. In order to comply with Chapter 15 of the UK Listing Authority, several Board changes were implemented during the year to 31 December 2010. The fees are no longer split equally between Core VCT V plc and Core VCT IV plc. From 25 August 2010, the Chairman receives a fee of £15,000. David Harris receives a fee of £12,000 and as Paul Richards is a Director of both Core VCT V plc and Core VCT IV plc his fee of £12,000 is split equally between both VCTs.

## Terms of Appointment

The Articles of Association provide that Directors may be appointed either by an ordinary resolution of the Company or by the Board provided that a person appointed by the Board shall be subject to re-election at the first Annual General Meeting following their appointment. Subject to the provisions of the Companies Act 2006, one third of the Directors (or if the number is not a multiple of three, the number nearest to one-third), shall retire from office by rotation at each AGM and the Director(s) retiring by rotation shall be the Director(s) who has been longest in office since their last election. Directors retiring by rotation are then eligible for re-election.

All of the Directors are non-executive and none of the Directors, apart from David Harris, has a service contract with the Company. David Harris has a service contract with the Company as an element of his fees are paid to Invatrust Limited, which is wholly owned by David Harris. All Directors receive a formal letter of appointment setting out the terms of their appointment, the powers and duties of Directors and the fees pertaining to the appointment. A Director's appointment may be terminated on three months' notice being given by the Company and in certain other circumstances. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office. None of the Directors receive pension benefits from the Company and the Company has not granted any Director any options over the share capital of the Company.

## Directors' Emoluments

The total emoluments in respect of qualifying services of each person who served as a Director during the year are as set out in the table below (audited).

	Year to 31 December 2011 £	Year to 31 December 2010 £
Greg Aldridge	15,000	10,182
David Harris* (appointed 25 August 2010)	12,000	4,218
Paul Richards	6,000	6,000
Ray Maxwell (resigned 25 August 2010)	–	4,880
	<b>33,000</b>	<b>24,267</b>

\*Includes fees of £9,000 paid to Invatrust Limited

The Company does not have any schemes in place to pay any of the Directors bonuses or benefits in addition to their Directors' fees.

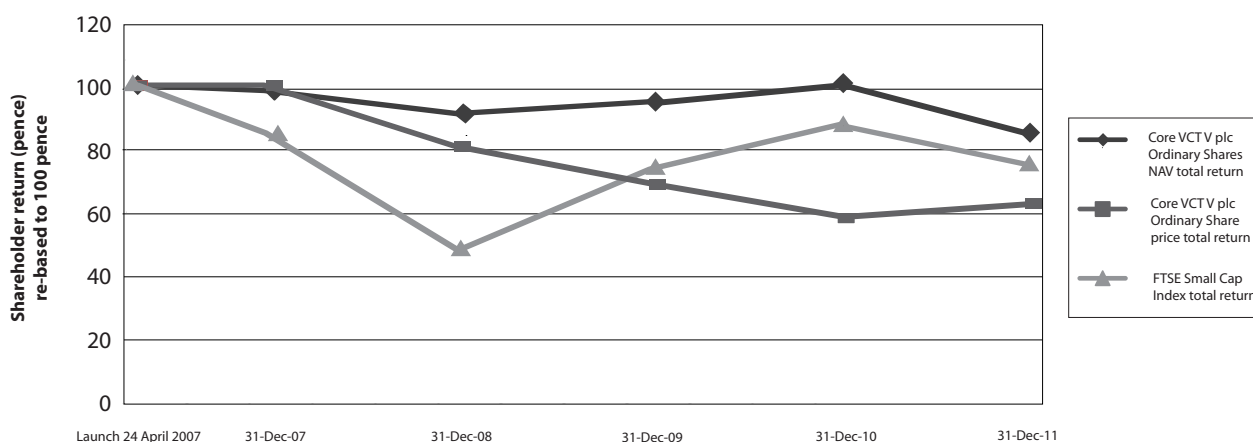
The Directors received no further emoluments in respect of their services. Aggregate fees in respect of qualifying services for all Directors for the year ended 31 December 2011 amounted to £33,000.

### Total Shareholder Return

The graph below charts the total cumulative shareholder return of the Ordinary Shares since the shares were first admitted to the Official List of the UK Listing Authority on 24 April 2007 compared to the total cumulative shareholder

return of the FTSE Small Cap Index. This index represents a broad equity market index against which investors can measure the performance of the Company and is considered an appropriate index against which to measure the Company's performance. The total shareholder return has been re-based to 100 pence which is equivalent to the opening share price of the Company. The principal activity of the Company is investment in a selection of established unquoted companies. An explanation of the performance of the Company is given in the Chairman's Statement and the Manager's Review. The NAV total return per share has been shown separately on the graph because the Directors believe that it represents a more accurate reflection of the Company's performance.

**Total cumulative shareholder return of the Ordinary Share Fund since the Ordinary Shares were first admitted to the Official List of the UK Listing Authority compared to the total return of the FTSE Small Cap Index**



By order of the Board

**Greg Aldridge**  
*Chairman*  
 15 March 2012

# Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ('IFRS') as adopted by the European Union.

Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they present fairly the financial position, the financial performance and cash flows of the Group and Company for that period. In preparing the Group and Company financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosure when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and the Company's financial position and financial performance;
- state that the Group and Company have complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and estimates that are reasonable and prudent.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions of the Group and the Company and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Group and Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Responsibility Statements under the Disclosure and Transparency Rules

Each of the Directors confirms that to the best of his knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company; and
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Group and Company together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Greg Aldridge  
*Chairman*  
15 March 2012

# Independent Auditor's Report to the Shareholders of Core VCT V plc

We have audited the financial statements of Core VCT V plc for the year ended 31 December 2011 which comprise the Consolidated Statement of Comprehensive Income, the Group and Company Balance Sheet, the Group and Company Statements of Changes in Equity, the Group and Company Cash Flow Statements, and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union and as regards the Company financial statements, as applied in accordance with the provisions of Companies Act 2006.

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.

## Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities on page 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2011 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the Parent Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and as regards the Group financial statements, Article 4 of the IAS Regulation.

## Opinion 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; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# Independent Auditor's Report to the Shareholders of Core VCT V plc

Under the Listing Rules we are required to review:

- the Directors' statement, on page 13, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Caroline Gulliver (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

15 March 2012

# Consolidated Statement of Comprehensive Income

## for the year ended 31 December 2011

	Notes	2011 Revenue Return £	2011 Capital Return £	2011 Total £	2010 Revenue Return £	2010 Capital Return £	2010 Total £
<b>Capital (losses)/gains on investments</b>							
(Losses)/gains on investments held at fair value	9	–	(1,897,346)	(1,897,346)	–	871,140	871,140
Currency gains		–	–	–	–	84	84
		–	(1,897,346)	(1,897,346)	–	871,224	871,224
<b>Revenue</b>							
Investment Income	2	182,659	–	182,659	197,202	–	197,202
Other Income	2	2,424	–	2,424	4,612	–	4,612
<b>Total Income</b>		<b>185,083</b>	<b>(1,897,346)</b>	<b>(1,712,263)</b>	<b>201,814</b>	<b>871,224</b>	<b>1,073,038</b>
<b>Expenditure</b>							
Transaction costs and investment management expenses	3	–	–	–	(305)	(44,860)	(45,165)
Other expenses	4	(205,240)	(85,575)	(290,815)	(223,518)	–	(223,518)
<b>Total expenditure</b>		<b>(205,240)</b>	<b>(85,575)</b>	<b>(290,815)</b>	<b>(223,823)</b>	<b>(44,860)</b>	<b>(268,683)</b>
<b>(Loss)/profit before taxation</b>		<b>(20,157)</b>	<b>(1,982,921)</b>	<b>(2,003,078)</b>	<b>(22,009)</b>	<b>826,364</b>	<b>804,355</b>
Taxation	6	–	–	–	460	–	460
<b>(Loss)/profit for year/total comprehensive income</b>		<b>(20,157)</b>	<b>(1,982,921)</b>	<b>(2,003,078)</b>	<b>(21,549)</b>	<b>826,364</b>	<b>804,815</b>
<b>Return per Ordinary Share:</b>	8	<b>(0.18)p</b>	<b>(17.99)p</b>	<b>(18.17)p</b>	<b>(0.20)p</b>	<b>7.50p</b>	<b>7.30p</b>

The total column of this statement represents the Statement of Comprehensive Income of the Group, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The accompanying notes are an integral part of the above statement.

# Consolidated and Company Balance Sheets

as at 31 December 2011

	Notes	Group 2011 £	Company 2011 £	Company 2010 £
<b>Non-current assets</b>				
Investments at fair value through profit or loss	9	6,325,902	6,325,902	8,867,758
Subsidiary undertaking	10	–	1,000	–
		6,325,902	6,326,902	8,867,758
<b>Current assets</b>				
Other receivables	12	42,312	42,312	63,778
Cash		462,019	461,019	1,129,187
		504,331	503,331	1,192,965
<b>Current liabilities</b>				
Other payables	14	(89,646)	(89,646)	(214,561)
<b>Net current assets</b>		414,685	413,685	978,404
<b>Net assets</b>		<b>6,740,587</b>	<b>6,740,587</b>	<b>9,846,162</b>
<b>Equity</b>				
Called-up Ordinary Share capital	15	1,102	1,102	1,102
Capital reserve		(2,027,538)	(2,027,538)	(44,617)
Special distributable reserve		8,751,749	8,751,749	9,854,246
Revenue reserve		15,274	15,274	35,431
<b>Shareholders' funds</b>		<b>6,740,587</b>	<b>6,740,587</b>	<b>9,846,162</b>
<b>Net asset value per 0.01p Ordinary Share</b>	16	<b>61.14p</b>	<b>61.14p</b>	<b>89.31p</b>

The accompanying notes are an integral part of the above statement.

The financial statements were approved and authorised for issue by the Board on 15 March 2012 and were signed on its behalf by:

**Greg Aldridge**

*Director*



# Consolidated and Company Statements of Changes in Equity

for the year ended 31 December 2011

	Called up Ordinary Share Capital £	Capital Reserve £	Special Distributable Reserve £	Revenue Reserve £	Total £
<b>Group</b>					
<b>For the year ended 31 December 2011</b>					
Net assets at 1 January 2011	1,102	(44,617)	9,854,246	35,431	9,846,162
Loss for the year/total comprehensive income	–	(1,982,921)	–	(20,157)	(2,003,078)
Dividends paid	–	–	(1,102,497)	–	(1,102,497)
<b>Net assets at 31 December 2011</b>	<b>1,102</b>	<b>(2,027,538)</b>	<b>8,751,749</b>	<b>15,274</b>	<b>6,740,587</b>
<b>Company</b>					
<b>For the year ended 31 December 2011</b>					
Net assets at 1 January 2011	–	–	–	–	–
Loss for the year/total comprehensive income	–	(1,982,921)	–	(20,157)	(2,003,078)
Dividends paid	–	–	(1,102,497)	–	(1,102,497)
<b>Net assets at 31 December 2011</b>	<b>1,102</b>	<b>(2,027,538)</b>	<b>8,751,749</b>	<b>15,274</b>	<b>6,740,587</b>
<b>For the year ended 31 December 2010</b>					
Net assets at 1 January 2010	1,102	(870,981)	9,854,246	112,104	9,096,471
Profit/(loss) for the year/total comprehensive income	–	826,364	–	(21,549)	804,815
Dividends paid	–	–	–	(55,124)	(55,124)
<b>Net assets at 31 December 2010</b>	<b>1,102</b>	<b>(44,617)</b>	<b>9,854,246</b>	<b>35,431</b>	<b>9,846,162</b>

The accompanying notes are an integral part of the above statement.

# Consolidated and Company Cash Flow Statements

for the year ended 31 December 2011

	Group 2011 £	Company 2011 £	Company 2010 £
<b>Net cash inflow/(outflow) from operating activities</b>	435,329	434,329	(750,938)
<b>Financing activities</b>			
Equity dividends paid	(1,102,497)	(1,102,497)	(55,124)
Called up share capital received	–	–	1,200,000
<b>Net cash (outflow)/inflow from financing activities</b>	(1,102,497)	(1,102,497)	1,144,876
<b>Net (decrease)/increase in cash and cash equivalents</b>	(667,168)	(668,168)	393,938
Cash and cash equivalents at beginning of period	1,129,187	1,129,187	735,249
<b>Cash and cash equivalents at the end of period</b>	462,019	461,019	1,129,187
<b>Reconciliation of (loss)/profit before taxation to net cash inflow/(outflow) from operating activities</b>			
(Loss)/profit before taxation	(2,003,078)	(2,003,078)	804,355
Losses/(gains) on investments	1,897,346	1,897,346	(871,140)
Purchases of investments	(3,496,845)	(3,497,845)	(2,035,159)
Sales of investments	4,004,904	4,004,904	1,370,563
Corporation tax paid	–	–	(11,596)
Decrease/(increase) in accrued income and prepayments	21,466	21,466	(26,452)
Increase in other payables	11,536	11,536	18,491
<b>Net cash inflow/(outflow) from operating activities</b>	435,329	434,329	(750,938)

The accompanying notes are an integral part of the above statement.

# Notes to the Accounts

for the year ended 31 December 2011

## 1 Accounting policies

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

### (a) Basis of accounting

The financial statements of the Company and the Group have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ('IFRS') as adopted by the European Union. Previously, the financial statements were prepared in accordance with UK GAAP.

The financial statements have been prepared on a going concern basis. The principal accounting policies are set out below. Where presentational guidance set out in the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ('SORP') issued by the Association of Investment Companies ('AIC') in January 2009 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The financial information for the year ended 31 December 2010 included in this report has been taken from the Company's full accounts, as restated to comply with IFRS. Restatement of opening balances relating to equity values, assets and liabilities and profits and losses of the Group and Company between UK GAAP as previously reported and under IFRS as restated have not been presented as there have been no required changes to these reported amounts. Therefore, restatement tables have not been prepared for any of the primary statements.

The functional currency of the Group is UK pounds sterling as this is the primary economic environment in which the Group operates. Accordingly, the financial statements have been prepared in UK pounds sterling.

In the process of applying the Company and the Group's accounting policies, judgements relating to investments have had the most significant effect on the amounts recognised in the accounts, and details of those judgements are set out in accounting policy 1(d).

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the valuation of unlisted investments, details of which are set out in accounting policy 1(d).

There have been no significant changes to the accounting policies during the year to 31 December 2011.

At the date of authorisation of these accounts, the following standards and interpretations have not been adopted in these accounts since they were in issue but not yet effective:

<u>International Accounting Standards (IAS/IFRS)</u>	<u>Effective date for accounting periods starting on or after</u>
IFRS 9 Financial Instruments	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 27 (Revised) Separate Financial Statements	1 January 2013
IAS 28 (Revised) Investments in Associates and Joint Ventures	1 January 2013
Disclosures – Transfer of Assets – Amendments to IFRS 7	1 July 2011
Presentation of Items of Other Comprehensive Income – Amendments to IAS 1	1 July 2012

The Directors have chosen not to early adopt these standards and interpretations as they do not anticipate that they would have a material impact on the Group's accounts in the period of initial application.

### (b) Basis of Consolidation

The Group accounts consolidate the accounts of the Company and its wholly-owned subsidiary, Core V (BVI) Limited. The Company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 not to present its own Statement of Comprehensive Income for 2011.

Subsidiaries are consolidated from the date of acquisition, being the date from which control is transferred to the Group, and cease to be consolidated from the date on which control is transferred out of the Group.

# Notes to the Accounts

for the year ended 31 December 2011

## (c) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received.

## (d) Investments

Investments other than the subsidiary are classified as fair value through the profit and loss at initial recognition and are recognised on trade date. The subsidiary is valued at cost less any impairment incurred. Financial assets designated as fair value through the profit and loss are measured initially and at subsequent reporting dates at fair value. For listed investments this is bid price.

Unquoted investments are valued by the Directors in accordance with the following rules, which are consistent with the International Private Equity and Venture Capital Valuation (IPEVC) guidelines published in 2009:

- (i) Investments which have been made recently are at fair value, which unless another methodology gives a better indication of fair value, will be at cost.
- (ii) Investments in companies at an early stage of their development are also valued at fair value, which unless another methodology gives a better indication of fair value, will be at cost.
- (iii) Investments which have been held for more than 12 months and which have gone beyond the stage in their development in (ii) above, the shares may be valued, in the absence of overriding factors, by applying a suitable price-earnings ratio discounted to reflect lack of marketability to that company's maintainable earnings (the ratio used being based on a comparable listed company or sector). Where overriding factors apply, alternative methods of valuation will be used. These may include the application of a material arms length transaction by an independent third party, cost, cost less provision for impairment, discounted cash flow, or a net asset basis.
- (iv) Where a value is indicated by a material arms-length transaction by a third party in the shares of the Company, this value can be used.

## (e) Transaction costs and investment management expense

The Company is responsible for any external costs such as legal or accounting fees incurred on transactions that do not proceed to completion. Such transaction costs are charged 100% against capital.

75% of the investment management expense is charged against capital. This is in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

## (f) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are charged to the capital column of the Statement of Comprehensive Income.

## (g) Taxation

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised. Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## (h) Reserves

- (i) Capital Reserve – gains and losses on investments held, gains and losses on investments sold and exchange adjustments to overseas currencies are taken to the Capital Reserve together with costs associated with the Proposals and taxation allocated to capital.
- (ii) Revenue Reserve – the net profit arising in the revenue column of the Statement of Comprehensive Income is added to this reserve. Dividends (excluding capital distributions) paid during the year are deducted from this reserve.

## 2 Income

	2011 £	2010 £
<b>Investment income</b>	182,659	197,202
<b>Other income</b>		
Deposit interest	2,424	4,612
	185,083	201,814

## 3 Transaction costs and investment management expense

	Revenue 2011 £	Capital 2011 £	Total 2011 £	Revenue 2010 £	Capital 2010 £	Total 2010 £
Third Party – transaction costs	–	–	–	–	43,945	43,945
Credit Suisse – management fees	–	–	–	305	915	1,220
<b>Total</b>	–	–	–	305	44,860	45,165

Core Capital LLP advise the Company on investments in qualifying companies under an agreement dated 7 December 2006. The agreement is for an initial period of five years and thereafter until the appointment is terminated by not less than one year's notice in writing to expire at any time after the initial period.

In return for acting as investment manager, the Manager shall be entitled to a performance incentive from time to time in the form of a profit share, whereby the Manager is entitled to receive 30% of the Investment Profits, only when the following two conditions have been achieved:

- the Total Return of the VCT is in excess of the Opening NAV of 94.5p; and
- the Total Return of an underlying investment exceeds the original cost of that investment.

For the year ended 31 December 2011, no performance fee was due to the Manager. The Manager does not receive any management fee.

The Manager has also agreed to ensure that the annual operating cost of the Company do not exceed an annual amount being 1.5% of the gross funds raised (excluding transaction costs, trail commission and fees relating to the Proposals).

Third party transaction costs arise from transactions where such costs were not otherwise recoverable. Under the agreement with the Manager, these costs are to be borne by the Company and by other VCTs managed by Core Capital. The amount of such costs for the year ended 31 December 2011 is £Nil (2010: £43,945).

# Notes to the Accounts

for the year ended 31 December 2011

## 4 Other expenses

	2011 £	2010 £
Directors' remuneration (including NIC) (see note 5)	36,018	26,042
IFA trail commission	53,910	89,851
Administration fees	36,431	20,043
Share Price Listings	3,412	3,384
Auditors' fees – audit	16,200	17,706
– other services	8,920	2,350
Taxation services	3,000	2,883
Registrar's fees	4,738	4,503
Printing	7,442	8,220
Legal and professional fees	9,610	28,305
Directors' insurance	7,743	3,096
Subscriptions	11,571	11,726
Sundry	245	2,278
Brokerage	6,000	3,131
	205,240	223,518

Charges for non-audit services provided by the auditor for the year ended 31 December 2011 relate to the provision of the desktop review of the interim report and assisting with the statutory accounts being lodged with HMRC in the required format. The Directors consider the auditor was best placed to provide these services. The Audit Committee reviews the nature and extent of non-audit services to ensure that independence is maintained.

The Group also incurred costs of £85,575 in relation to the Proposals as outlined in the Circular dated 9 June 2011. These costs have been charged to capital.

## 5 Directors' remuneration

	2011 £	2010 £
Directors' emoluments		
Greg Aldridge	15,000	9,169
David Harris	12,000	4,218
Paul Richards	6,000	6,000
Ray Maxwell (resigned 25 August 2010)	–	4,880
	33,000	24,267
Employer's NIC and VAT	3,018	1,775
	36,018	26,042

No pension scheme contributions or retirement benefit contributions were paid. There are no share option contracts held by the Directors. Since all the Directors are non executive, the other disclosures required by the Listing Rules are not applicable.

## 6 Taxation on ordinary activities

	Year ended 31 December 2011			Year ended 31 December 2010		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
<b>a) Analysis of charge in the year</b>						
Corporation tax	–	–	–	–	–	–
Over provision in previous year	–	–	–	(460)	–	(460)
Credit for the year	–	–	–	(460)	–	(460)

The tax assessed for the period is lower than the standard rate of corporation tax 26.5% (2010: 28%). The differences are explained below:

	Year ended 31 December 2011			Year ended 31 December 2010		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
<b>(b) Factors affecting tax charge for year</b>						
(Loss)/profit before taxation	(20,157)	(1,982,921)	(2,003,078)	(22,009)	826,364	804,355
Corporation tax at standard rate of 26.5% (2010 28%)	(5,342)	(525,474)	(530,816)	(6,163)	231,382	225,219
Non taxable capital losses/(gains)	–	502,797	502,797	–	(243,919)	(243,919)
Exchange differences	–	–	–	–	(24)	(24)
Non-deductible expenses	1,590	22,677	24,267	877	–	877
Prior year adjustment	–	–	–	(460)	–	(460)
Increase in excess management expenses	3,752	–	3,752	5,286	12,561	17,847
	–	–	–	(460)	–	(460)

Venture Capital Trust companies are exempt from tax on capital gains if they meet the HM Revenue & Customs criteria set out in Section 274 Income Tax Act 2007 for a given year.

### Deferred taxation

The Company has not recognised a deferred tax asset of £19,669 (2010: 17,210) arising as a result of having unutilised management expenses. It is unlikely that the Company will obtain tax relief for these in the future, so no deferred tax asset has been recognised.

## 7 Dividends

Amounts recognised as distributions to equity holders in the year:

	2011 £	2010 £
<b>Ordinary Shares</b> – interim capital dividend of 10p	(1,102,497)	–
<b>Ordinary Shares</b> – final dividend for the year ended 31 December 2011 of nil (2010: nil)	–	–
	(1,102,497)	–

No final dividend has been proposed for the year ended 31 December 2011 (2010: same).

# Notes to the Accounts

for the year ended 31 December 2011

## 8 Return per Ordinary Share

	2011 £	2010 £
Basic return from ordinary activities after taxation:	(2,003,078)	804,815
<b>Basic return per share (note a)</b>	<b>(18.17)p</b>	<b>7.30p</b>
Net revenue from ordinary activities after taxation	(20,157)	(21,549)
<b>Revenue return per share (note b)</b>	<b>(0.18)p</b>	<b>(0.20)p</b>
Net capital return from ordinary activities after taxation	(1,982,921)	826,364
<b>Capital return per share (note c)</b>	<b>(17.99)p</b>	<b>7.50p</b>
Weighted average number of shares in issue in the year	11,024,969	11,024,969

### Notes

- (a) Basic return per share is total return after taxation divided by the weighted average number of shares in issue during the year.
- (b) Revenue return per share is net revenue return after taxation divided by the weighted average number of shares in issue during the year.
- (c) Capital return per share is net capital return divided by the weighted average number of shares in issue during the year.

## 9 Investments

	Unlisted (Level 3) £	2011 Total £
<b>Group</b>		
Investments brought forward		
Cost	7,794,584	7,794,584
Gains/(losses)	1,073,174	1,073,174
Valuation brought forward	8,867,758	8,867,758
Movements in the year:		
Purchases at cost	3,360,394	3,360,394
Sale proceeds	(4,004,904)	(4,004,904)
Losses on sale of investments	(834,671)	(834,671)
Movement in investment holding gains	(1,062,675)	(1,062,675)
Valuation at 31 December	6,325,902	6,325,902

	2011 Total £
Losses on investments sold	(834,671)
Losses on investments held	(1,062,675)
Losses on investments	(1,897,346)

As a result of adopting the Proposals, purchases include £2.1 million being the Group's partnership interest in Core Capital I LP following the sale of £4.0 million of assets to Core Capital I LP, which generated losses of £0.6 million.

For the year to 31 December 2011, the movement of (£1,897,346) represents a reduction of 17.21p per share.



	Unlisted (Level 3) £	Subsidiary (Level 3) £	2011 Total £	Listed (Level 1) £	Unlisted (Level 3) £	2010 Total £
<b>Company</b>						
Investments brought forward						
Cost	7,794,584	–	7,794,584	669,126	6,699,324	7,368,450
Gains/(losses)	1,073,174	–	1,073,174	(313,380)	198,877	(114,503)
Valuation brought forward	8,867,758	–	8,867,758	355,746	6,898,201	7,253,947
Movements in the year:						
Purchases at cost	3,360,394	1,000	3,361,394	–	2,113,234	2,113,234
Sale proceeds	(4,004,904)	–	(4,004,904)	(352,589)	(1,017,974)	(1,370,563)
Losses on sale of investments	(834,671)	–	(834,671)	(3,157)	–	(3,157)
Unrealised losses realised during the year	–	–	–	(313,380)	–	(313,380)
Movement in investment holding gains	(1,062,675)	–	(1,062,675)	313,380	874,297	1,187,677
Valuation at 31 December	6,325,902	1,000	6,326,902	–	8,867,758	8,867,758

	2011 Total £	2010 Total £
Losses on investments sold	(834,671)	(3,157)
(Losses)/gains on investments held	(1,062,675)	874,297
(Losses)/gains on investments	(1,897,346)	871,140

Level 1 includes investments quoted on an active market.

Level 3 includes investments in private companies and other unquoted securities.

## 10 Subsidiary

Name	Country of incorporation	Class of capital	Share capital and reserves £	Profit for the year £	% of class held	% of equity held	Valuation as at 31 Dec 2011
Core V (BVI) Limited	British Virgin Islands	Ordinary	1,000	–	100	100	1,000

Core V (BVI) Limited was incorporated on 25 May 2011. Core V (BVI) Limited is a fully owned subsidiary of Core VCT V plc and its principal activity is to hold an interest in Core Capital I LP. This subsidiary has been consolidated since incorporation.

## 11 Significant interests

At 31 December 2011 the Group held significant investments, amounting to 3% or more of the equity capital, in the following companies:

Company	Equity investment (ordinary shares) £	Investment in loan stock £	Total investment (at cost) £	Percentage of investee company's total equity %
Allied International Holdings Limited	1,452,298	750,000	2,202,298	21.65%
Camwatch Limited	292,460	700,000	992,460	7.20%

The Group holds through Core V (BVI) Limited a 3.09% partnership interest in Core Capital I LP.

The above companies, apart from the subsidiary, are incorporated in the United Kingdom.

# Notes to the Accounts

for the year ended 31 December 2011

Core Capital LLP also advises Core VCT plc and Core VCT IV plc that have made investments to 31 December 2011 in the following companies:

Company	Core VCT plc £	Core VCT IV plc £	Total at cost £	% of equity held by funds managed by Core Capital LLP %
Allied International Holdings Limited	2,244,589	2,202,298	4,446,887	65.51
Camwatch Limited	–	992,460	992,460	14.40

Core VCT plc and Core VCT IV plc each hold through subsidiaries a partnership interest of 23.38% and 3.09% respectively in Core Capital I LP.

## 12 Other receivables

	Group 2011 £	Company 2011 £	Company 2010 £
Accrued income	37,654	37,654	51,619
Prepayments	4,658	4,658	12,159
	42,312	42,312	63,778

## 13 Cash

	Group 2011 £	Company 2011 £	Company 2010 £
Cash at Bank	462,019	461,019	1,129,187

## 14 Current liabilities

Other payables

	Group 2011 £	Company 2011 £	Company 2010 £
Other creditors	624	624	137,075
Accruals	89,022	89,022	77,486
	89,646	89,646	214,561

## 15 Share capital

### Equity share capital

At 31 December 2011 there were 11,024,969 Ordinary Shares in issue

	2011 £	2010 £
Authorised:		
Ordinary Shares of 0.01p each: 530,000,000	5,300	5,300
Allotted, called-up and fully paid:		
Ordinary Shares of 0.01p each: 11,024,969	1,102	1,102

As at 15 March 2012 the Company's issued share capital was 11,024,969 ordinary shares, carrying one vote each.

### Capital Management

The Company's capital is represented by the Issued Share Capital, Special Distributable Reserve, Capital Reserve and Revenue Reserve.

The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objective, both of which are detailed in the Report of the Directors.

## 16 Net asset value per share

Net asset value per Ordinary Share is based on net assets at the end of the year of £6,740,587 (2010: £9,846,162), and on 11,024,969 Ordinary Shares (2010: same), being the number of Ordinary Shares in issue on that date.

## 17 Financial Instruments

The Group's financial instruments in both years comprised:

- Equity and fixed and floating interest rate securities that are held in accordance with the Company's investment objective.
- Cash, liquid resources and short term debtors and creditors that arise directly from the Company's operations.

### Classification of financial instruments

The Group held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 31 December 2011:

	2011 (Fair value) £	2010 (Fair value) £
<b>Assets at fair value through profit and loss</b>		
Investments (Level 3)	6,325,902	8,867,758
Cash at bank	462,019	1,129,187
<b>Loans and receivables</b>		
Called up share capital unpaid	–	–
Accrued income	37,654	51,619
Other receivables	4,658	12,159
Other payables	(89,646)	(214,561)
	6,740,587	9,846,162

# Notes to the Accounts

for the year ended 31 December 2011

The Group's investment portfolio consists of unquoted investments representing 94% (2010: 90%) of net assets. This portfolio has a 100% (2010: 100%) concentration of risk towards small UK based, sterling denominated companies.

The main risks arising from the Group's financial instruments are due to fluctuations in market prices (market price risk), credit risk and interest rate risk, although liquidity risk and currency risk are also discussed below. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These have been in place throughout the current and preceding periods.

## Market price risk

Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Company's investment objectives. It represents the potential gain or loss that the Company might benefit or suffer from through holding market positions in the face of market movements.

The investments in equity and fixed interest stocks of unquoted companies that the Group holds are not traded and as such the prices are more uncertain than those of more widely traded securities. As, in a number of cases, the unquoted investments are valued by reference to price earnings ratios prevailing in quoted comparable sectors, their valuations are exposed to changes in the price earnings ratios that exist in the quoted markets.

The Board's strategy in managing the market price risk inherent in the Group's portfolio of equities and loan stock investments is determined by the requirement to meet the Company's investment objective, as set out on page 8. As part of the investment process, the Board seeks to maintain an appropriate spread of market risk, and also has full and timely access to relevant information from the Investment Manager. No single investment is permitted to exceed 15% of total VCT value of investment assets at the point of investment. The Board meets regularly and reviews the investment performance and financial results, as well as compliance with the Company's objectives.

## Market price risk sensitivity

The Board believes that the Group's assets are mainly exposed to market price risk, as the Group is required to hold most of its assets in the form of sterling denominated investments in small companies.

The investment made by the Manager in unquoted companies, irrespective of the instruments the Group actually holds, (whether shares or loan stock) carry a full market risk, even though some of the loan stocks may be secured on assets, but behind any prior ranking bank debt in the investee company.

The Board considers that the values of investments in equity and loan stock instruments are ultimately sensitive to changes in quoted share prices, insofar as such changes eventually affect the enterprise value of unquoted companies. The impact on net return and net assets if there were to be a 15% movement in overall share prices of unquoted investments for the year would have been an increase or decrease of £948,885 (2010: £1,330,164).

The above figures assumes that each of these sub categories of investments (shares and loan stocks) held by the Group produces a movement overall of 15% and that the actual portfolio of investments held by the Group is perfectly correlated to this overall movement in share prices. However, shareholders should note that this level of correlation is unlikely to be the case in reality, particularly in the case of the loan stock instruments. This is because loan stock instruments would not share in the impact of any increase in share prices to the same extent as the equity investments, as the returns are set by reference to interest rates and premiums agreed at the time of the initial investment. Similarly, where share prices are falling, the equity instrument could fall in value before the loan stock instrument. It is not considered practical to assess the sensitivity of the loan stock instruments to market price risk in isolation.

The impact of a change of 15% has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement. The range in equity prices is considered reasonable given the historic changes that have been observed.

## Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group. The carrying amounts of financial assets best represents the maximum credit risk exposure at the balance sheet date.

At the reporting date, the Group's financial assets exposed to credit risk amounted to the following:

	2011 £	2010 £
Investments in fixed interest instruments	1,450,000	3,482,813
Cash and cash equivalents	462,019	1,129,187
Other receivables	42,312	63,778
	1,954,331	4,675,778

The Group has an exposure to credit risk in respect of the loan stock investments it has made in investee companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that an investee company may owe.

£37,654 of the accrued income shown within note 12 was due within 1 month of the year end.

The following table shows the maturity of the loan stock investment referred to above.

	2011 £	2010 £
<b>Repayable within</b>		
5 years	1,450,000	3,482,813
Total	1,450,000	3,482,813

These loan stock investments are made as part of the qualifying investments within the investment portfolio, and the risk management processes applied to loan stock investments have already been set out under market net price risk above.

There could also be a failure by counterparties to deliver securities which the Group has paid for, or not pay for securities which the Group has delivered. This risk is considered to be small as most of the Group's investment transactions are in unquoted investments, where investments are conducted through solicitors, to ensure that payment matches delivery.

# Notes to the Accounts

for the year ended 31 December 2011

## Interest rate risk

The Group's fixed and floating interest rate securities, its equity investments and net revenue may be affected by interest rate movements. Investments are often in relatively small businesses, which are relatively high risk investments sensitive to interest rate fluctuations.

The Group's assets include fixed and floating interest rate instruments, as shown below. The rate of interest earned is regularly reviewed by the Board, as part of the risk management processes applied to these instruments, already disclosed under market price risk on page 34.

The interest rate profile of the Group's financial net assets at 31 December 2011 was:

	Financial assets/ liabilities on which no interest paid £	Fixed rate financial assets £	Floating rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity	2,576,846	–	–	2,576,846		
Loan stock	–	1,450,000	–	1,450,000	11.84	2.48
LP interest	2,299,056	–	–	2,299,056		
Cash	–	–	462,019	462,019		
Other receivables	42,312	–	–	42,312		
Other payables	(89,646)	–	–	(89,646)		
<b>Total</b>	<b>4,828,568</b>	<b>1,450,000</b>	<b>462,019</b>	<b>6,740,587</b>		

The interest rate profile of the Group's financial net assets at 31 December 2010 was:

	Financial assets/ liabilities on which no interest paid £	Fixed rate financial assets £	Floating rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity	5,384,945	–	–	5,384,945		
Loan stock	–	3,482,813	–	3,482,813	9.40	3.53
Cash	–	–	1,129,187	1,129,187		
Other receivables	63,778	–	–	63,778		
Other payables	(214,561)	–	–	(214,561)		
<b>Total</b>	<b>5,234,162</b>	<b>3,482,813</b>	<b>1,129,187</b>	<b>9,846,162</b>		

Floating rate cash earns interest based on LIBOR rates.

### **Interest rate sensitivity**

Although the Group holds investments in loan stocks that pays interest, the Board does not believe that the income of these instruments is interest rate sensitive, as the majority of the loan is at a fixed rate of interest. The Board does not consider that the impact of interest rate changes materially affects the value of the loan portfolio in isolation, other than the consequent impact that interest rate changes have upon movements in share prices, discussed under equity price risk above.

### **Liquidity risk**

The investment in equity and fixed interest stocks of unquoted companies that the Group holds are not traded. They are not readily realisable. The ability of the Group to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The Group's ability to sell investments may also be constrained by the requirements set down by VCTs. The maturity profile of the Group's loan stock investments disclosed within the consideration of credit risk above indicates that a majority of these assets will be readily realisable within the next 5 years from the year end.

To counter these risks to the Group's liquidity all creditors and accruals are due within one year and are comfortably covered by cash held and short term debtors.

### **Currency risk**

All assets and liabilities are denominated in sterling and therefore there is no currency risk.

## **18 Related party transactions**

Details of the carried interest arrangements between the Company and the Manager are set out in Note 3. Following the successful launch of Core Capital I LP, the general partner of LP, receives £750,000 per annum until the fourth anniversary, payable out of the assets of Core Capital I LP.

# Shareholder Enquiries:

## Shareholder Information

### Dividends

Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a Mandate Form for this purpose. Mandates can be obtained by telephoning the Company's registrar, Share Registrars Limited (see back of cover for details).

### Share Price

The Company's Ordinary Shares are listed on the London Stock Exchange. The ticker code is CR5.

### Notification of Change of Address

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's registrar, Share Registrars Limited, under the signature of the registered holder.

### Trading Shares

The Company's Ordinary 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 Core VCT V plc is Matrix Corporate Capital.

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

Please call Core Capital LLP (see details below) if you or your adviser have any questions about the process.

## Financial Calendar

2 May 2012	Annual General Meeting
August 2012	Announcement of interim results and posting of half yearly report
March 2013	Announcement of final results for year to 31 December 2012

## Enquiries

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

Stephen Edwards	Tel: 020 3179 0919 or by email	Stephen.Edwards@Core-Cap.com
Walid Fakhry	Tel: 020 3179 0915 or by email	Walid.Fakhry@Core-Cap.com

For shareholder enquiries please contact the Company Secretary at Core Capital LLP:

Rhonda Nicoll	Tel: 020 3179 0930 or by email	Rhonda.Nicoll@Core-Cap.com
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Core VCT V 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.



# CORE VCT V PLC

(Registered in England and Wales No. 5957415)

## NOTICE of the ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the sixth Annual General Meeting of the Company will be held at 10.30 am (or as soon thereafter as the Annual General Meeting of Core VCT IV plc has been concluded or adjourned) on 2 May 2012 at 19 Cavendish Square, London W1A 2AW for the following purposes:

### ORDINARY BUSINESS

1. To receive and adopt the report of the Directors and the audited accounts of the Company for the year ended 31 December 2011, together with the Auditors' report thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2011.
3. To re-appoint Ernst & Young LLP of 1 More London Place, London SE1 2AF as Auditor.
4. To authorise the Directors to determine the remuneration of the Auditor.
5. To re-elect Greg Aldridge, who retires by rotation, as a Director.
6. To re-elect Paul Richards, who retires annually, as a Director.

### SPECIAL BUSINESS

*To consider and, if thought fit, to pass the following as an Ordinary Resolution:*

7. THAT the Directors be, and they are hereby, generally and unconditionally authorised under Section 551 of the Companies Act 2006 (the '2006 Act') to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £55 being approximately 5% of the issued Ordinary Share capital of the Company as at 31 December 2011, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company held after the passing of this Resolution, and so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

*To consider and, if thought fit, to pass the following as a Special Resolution:*

8. THAT, subject to the passing of Resolution 7, the Directors be, and they are hereby, empowered under Section 571 of the 2006 Act to allot equity securities (as defined in Section 560 of the 2006 Act) under the authority conferred by Resolution 7 for cash as if Section 561(1) of the 2006 Act did not apply to the allotment, provided that this power shall be limited to the allotment:
  - (a) of equity securities in connection with an offer of such securities by way of rights to holders of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings of such shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
  - (b) (other than under paragraph (a) above) of equity securities up to an aggregate nominal amount not exceeding £55 and shall expire at the conclusion of the next Annual General Meeting of the Company held after the passing of this Resolution, and so that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

*To consider and, if thought fit, to pass the following as a Special Resolution:*

9. THAT the Company be and is hereby authorised in accordance with section 701 of the 2006 Act to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of the ordinary shares of 0.01 pence each in the Company provided that:
  - (i) the maximum aggregate number of ordinary shares authorised to be purchased is 1,652,642 representing approximately 14.99 per cent. of the issued share capital as at the date hereof;
  - (ii) the minimum price which may be paid for an ordinary share is 0.01 of a penny per share; and
  - (iii) the maximum price, exclusive of expenses, which may be paid for an ordinary share shall not be more than 105% of the average of the middle market prices for the ordinary shares of the Company as derived from the Daily Official List of the UK Listing Authority for the five business days immediately preceding the day on which that ordinary share is purchased.

This authority shall expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2013 or, if earlier, on 2 August 2013 (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may prior to such expiry, enter into a contract to purchase ordinary shares which will or may be completed or expected wholly or partly after such expiry.

**BY ORDER OF THE BOARD**

Rhonda Nicoll

*Secretary*

Registered Office  
Core Capital LLP  
103 Baker Street, London W1U 6LN

15 March 2012

# NOTICE of the ANNUAL GENERAL MEETING

## NOTES:

1. Copies of Directors' letter of appointments will be available for inspection at the place of the AGM for 15 minutes prior to and during 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 10.30 am on 30 April 2012 (or, in the event of any adjournment, 48 hours 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 proxy form are set out in the notes to the proxy form. 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. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Company's registrars, Share Registrars Limited (telephone 01252 821390) or you may photocopy the proxy form. 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 should be returned together in the same envelope.
5. A reply paid form of proxy is enclosed with Shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL so as to be received not later than 48 hours before the time appointed for the meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting (excluding weekends and public holidays) or adjourned meeting, so as to be received no later than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll.
6. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same share:
  - (a) If they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; or
  - (b) If they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.
7. 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 proxy form.
8. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 3 and 4 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated 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 have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
9. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
10. As at 15 March 2012 the Company's issued share capital consists of 11,024,969 Ordinary Shares. The total number of votes in the Company is 11,024,969.
11. A copy of the Notice of Annual General Meeting and the information required by Section 311A Companies Act 2006 is included on the Company's website, [www.core-cap.com](http://www.core-cap.com).
12. Section 319A of the Companies Act 2006 requires the directors to answer any question raised at the AGM which, relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting.

Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) 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 annual general meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement required to be placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.

# PROXY FOR THE ANNUAL GENERAL MEETING

## for Core VCT V plc

I/We .....

of (address) .....

being a member/members of the Company hereby appoint the Chairman of the Meeting, or

.....  
of (address) .....

as my/our proxy to vote, on a poll, in my/our name and on my/our behalf at the Annual General Meeting of the Company to be held at 10.30 am on 2 May 2012 at 19 Cavendish Square, London W1A 2AW and at any adjournment thereof.

Please indicate with an 'X' in the boxes below how you wish your vote to be cast. Should this form of proxy be returned signed but without a specific direction, the proxy may vote or abstain as he/she thinks fit. On any other business at the Annual General Meeting (including any motion to amend any resolution or adjourn the meeting) the proxy will vote or abstain from voting at his or her discretion.

The proxy is directed to vote on the resolutions set out in the notice convening the Annual General Meeting, of which resolutions 1 to 7 are proposed as ordinary resolutions and resolutions 8 to 9 are proposed as special resolutions, as follows:

Resolution	For	Against	Vote withheld
<b>ORDINARY BUSINESS</b>			
1. To approve the Annual Report and Accounts for the year ended 31 December 2011.			
2. To approve the Directors' Remuneration Report for the year ended 31 December 2011.			
3. To re-appoint Ernst & Young LLP as independent Auditor.			
4. To authorise the Directors to determine the remuneration of the Auditor.			
5. To re-elect Greg Aldridge as a Director of the Company.			
6. To re-elect Paul Richards as a Director of the Company.			
<b>SPECIAL BUSINESS</b>			
7. To authorise the Directors to allot Ordinary Shares.			
8. To authorise the Directors to disapply pre-emption rights of members (special resolution).			
9. To authorise the Company to make market purchases of Ordinary Shares (special resolution).			

Signed ..... Dated .....

**NOTES AND INSTRUCTIONS**

- A person entitled to receive notice of, attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote, on a poll, in his place. A proxy need not be a member of the Company. 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, you may copy the proxy form, clearly stating on each copy the shares to which the proxy relates, or alternatively contact the Company's registrars, Share Registrars Limited, on 01252 821390, to request additional copies.
- Delete 'the Chairman of the Meeting' if it is desired to appoint any other person and insert his or her name and address. If no name is inserted, the proxy will be deemed to have been given in favour of the Chairman of the Meeting. If this Form of Proxy is returned without stating how the proxy shall vote on any particular matter the proxy will exercise his/her discretion as to whether, and if so how, he votes. Any alterations to the Form of Proxy should be initialled.
- If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person): You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting.  
If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.  
Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company or its registrars) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- In the case of a Corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
- To be effective, this form of proxy and any power of attorney or other authority under which it is signed or a notarially certified copy of such power of authority must be completed and deposited at the office of the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL not later than 48 hours (excluding weekends and public holidays) before the time set for the meeting.
- In the case of joint holders, the vote of the senior holder tendering a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority depends on the order in which the names stand in the register of members.
- The completion and return of this form of proxy will not preclude you from attending and voting at the meeting should you subsequently decide to do so.



# Corporate Information

## Directors

Greg Aldridge (Chairman)

Paul Richards

David Harris\*

\*(Senior Independent Director and Chairman of the Audit Committee)

## Registered office

103 Baker Street

London

W1U 6LN

## Secretary and administrator

Rhonda Nicoll

Core Capital LLP

9 South Street

London

W1K 2XA

## Investment Manager

Core Capital LLP

9 South Street

London

W1K 2XA

## Registrar

Share Registrars Limited

Suite E, First Floor

9 Lion and Lamb Yard

Farnham

Surrey GU9 7LL

## VCT Tax Adviser

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

## Solicitors

Howard Kennedy

19 Cavendish Square

London

W1A 2AW

## Auditor

Ernst & Young LLP

1 More London Place

London

SE1 2AF

## Bankers

Lloyds Banking Group

PO Box No. 39900 Level 7

Bishopsgate Exchange

155 Bishopsgate

London EC2M 3YB

**Company No : 5957415**

[www.core-cap.com](http://www.core-cap.com)

## Warning to Shareholders – Boiler Room Scams

In recent years, many companies have become aware that their shareholders have been targeted by unauthorised overseas-based brokers selling what turn out to be non-existent or high risk shares, or expressing a wish to buy their shares. If you receive unsolicited investment advice or requests:

- Make sure you get the correct name of the person or organisation
- Check that they are properly authorised by the FSA before getting involved by visiting [www.fsa.gov.uk/pages/register/](http://www.fsa.gov.uk/pages/register/)
- Report the matter to the FSA by calling **0845 606 1234**
- If the calls persist, hang up

More detailed information on this can be found on the CFEB website [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)

