

CORE VCT PLC

Unaudited Half-Yearly Report
for the six months ended 30 June 2012



Performance Summary

Core VCT plc ("Core VCT" or "the Company") is a tax efficient listed Company. The aim of the Company is to achieve long-term capital and income growth and to distribute tax free dividends comprising realised gains and investors' capital investment.

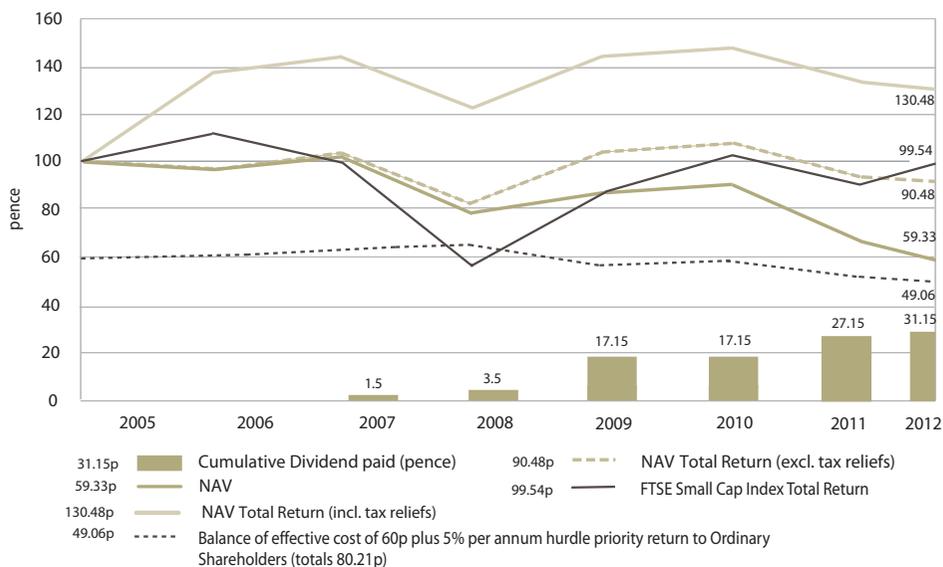
Performance Summary

Ordinary Shares	30 June 2012	30 June 2011	31 December 2011
Net asset value per share	59.33 pence	93.39 pence	66.30 pence
NAV total return to date per share (note 1)	90.48 pence	110.54 pence	93.45 pence
Share price (mid market)	29.00 pence	43.00 pence	37.50 pence
Total expense ratio (note 2)	0.54%	0.36%	1.23%
B Shares	30 June 2012	30 June 2011	31 December 2011
Net asset value per share	0.01 pence	0.01 pence	0.01 pence
Total return to date per share	0.01 pence	0.01 pence	0.01 pence
Share price (mid market)	12.50 pence	14.00 pence	14.00 pence

¹ NAV total return is calculated by adding NAV to cumulative dividends paid, using the weighted average from 2009 onwards.

² Operating expenses of the Group excluding trail commission, third party transaction costs and costs associated with the corporate proposal as a percentage of closing assets.

Ordinary net asset value, ordinary net asset value total return and ordinary net asset value total return (with tax reliefs) against the FTSE Small Cap Index Total Return as at 30 June 2012



As at 30 June 2012, the ordinary shareholders must receive 80.21p (representing 31.15p of dividends paid to date plus 49.06p still to be paid to ordinary shareholders) before the B shares receive any dividends.

In order to secure £46.8 million of new funding, which was partially used to pay a 10p capital dividend, the NAV reduced by 11.7p per Ordinary Share during July 2011.

Performance Summary

Dividends Paid Since Launch to Ordinary Shareholders

Year ended	Revenue Dividend pence	Capital Dividend pence	Total Annual Dividend pence	Cumulative Dividends pence	Cumulative Weighted Average Dividend pence
2007	1.5	–	1.5	1.5	
2008	2.0	–	2.0	3.5	
2009	1.0	12.0	13.0	16.5	17.15
2010	–	–	–	16.5	17.15
2011	–	10.0	10.0	26.5	27.15
2012	–	4.0	4.0	30.5	31.15

Following the merger of Core VCT I plc and Core VCT II plc into Core VCT III plc on 16 July 2009 the weighted average dividend has been calculated by taking the total dividends paid in each VCT (Core VCT I plc £1,979,467, Core VCT II plc £2,722,270 and Core VCT III plc £2,724,292) giving a total of £7,426,029 divided by the shares in issue following the merger, totalling 43,301,414.

Potential Cash Returns to Shareholders on a Break Up Basis (for illustrative purposes only)

	Net Assets £	Ordinary Shareholders £	B Shareholders £	Total Return £
Net assets at 30 June 2012	25,693,706			
Distributions to date	13,488,390			
Total Return as at 30 June 2012	39,182,096			
60p Effective initial cost of Ordinary shares	(26,374,686)	26,374,686		
Hurdle rate to date	(8,356,486)	8,356,486		
66.6667% of Hurdle rate to B shareholders	(4,450,924)		4,450,924	
Net assets remaining	–			
60% to Ordinary shareholders	–	–		
40% to B shareholders	–		–	
Total Fund	–	34,731,172	4,450,924	39,182,096
No. of Ordinary Shares/B Shares		43,301,414	28,868,227	43,301,414
Net asset value per share (pence)		80.21	15.42	
Potential Returns per Share Class (to non management shareholders)		80.21	4.48	84.69
Potential Total Returns (including tax relief) (Note1)				124.69

(Note 1) This illustrates the potential returns available to shareholders who subscribed during the original allotment and retain B Shares.

Chairman's Statement

Results

In the six months to 30 June 2012, the Net Asset Value (NAV) Total Return per Ordinary Share was 90.48p, comprising a NAV of 59.33p and a weighted average cumulative dividend paid of 31.15p per Ordinary Share. This represents a decrease from the Combined NAV Total Return to 31 December 2011 of 3.2%, (2.97p) per Ordinary Share. The main contributors to the fall were Momentous Moving Excellence and Allied International Holdings Limited.

Investments

Allied International Holdings Limited, an investment directly held by Core VCT plc, required further funding to progress with its turnaround plan. Both Core VCT V plc and Core VCT IV plc did not participate in the further funding due to their cash constraints and £350,000 was provided by Core VCT plc, by way of a loan to provide capital priority. The valuation reduced by £440,000 (1.0p per Ordinary Share) due to a slower than anticipated improvement in trading, particularly in the European destinations. However, having implemented the turnaround, we believe Allied should now grow organically, and potentially by further acquisitions, into a major global operation over the medium term. Further funds of £350,000 have been allocated by Core VCT plc to ensure this business has adequate capital available.

During the period, the value of Momentous Moving Excellence, an investment directly held by Core VCT plc, was reduced by £623,000 (1.4p). This reduction reflected downward trends in asset values.

During the period, a further £3.5 million was drawn down from institutional investors in Core Capital I LP for Abriand, which has now received its full £20.2 million commitment from the Fund. This has been utilised to fund capital expenditure and the acquisition of the Chéz Gerard sites from the administrator of Paramount Restaurants. Abriand is well advanced in the conversion and integration of

these new sites. The remaining £9.8 million to be called (net of General Partner Fee) is intended to be deployed in Ark Home Healthcare Limited, Colway Limited and SPL Services Limited.

Dividends

Following the sale of Adapt Limited to Lyceum Capital during September 2011, a 4p interim capital dividend was paid to Ordinary Shareholders on 28 February 2012. During the six months to 30 June 2012, the Group generated a loss of £1,285,957 and is therefore not in a position to pay a further interim dividend to Ordinary Shareholders. However, your Board is committed to distributing a substantial proportion of any proceeds generated over the remainder of the financial year.

B Shares

Shareholders will be aware that the Company has an innovative charging structure. No annual management fees are paid to Core Capital LLP, which is only rewarded for performance once shareholders have been returned all of their effective initial capital of 60 pence, and subject to a hurdle rate of 5 per cent per annum. This is achieved through the issue of B Shares, which collectively receive 40% of distribution above the effective initial capital plus hurdle. Of these shares, 71% are held by Core Capital LLP, such that Core Capital will receive 28.4% of distributions above the effective initial cost plus hurdle.

As at 30 June 2012, total cumulative distributions (31.15p), including hurdle, are approximately 49.06p per Ordinary Share short of the required threshold (80.21p) following the achievement of which the B Shares would participate in distributions. However, I would like to remind ordinary shareholders that once this threshold is achieved, distributions to Ordinary Shares will be reduced to 60% of the total, and that your holding in B Shares

Chairman's Statement

forms an integral part of your investment along with your holding in Ordinary Shares.

Share Price and Share Buy Backs

We would remind shareholders that we view the NAV Total Return, rather than the share price, as the preferred measure of performance, as it encompasses the value of the current portfolio and the amount of cash distributed to shareholders over the life of their investment. It is disappointing to report that the NAV Total Return has fallen by 3.2% over the period. However, we believe that the underlying portfolio performance will improve as we start to see the benefits from deploying the substantial capital raised last year from Core Capital I LP, and as our directly held investment, Allied, makes the progress we expect.

We are conscious that the mid price of the shares continues to be at a significant discount to the NAV (51% at 30 June 2012). Whilst the Company has the ability to buy back its own shares, the Boards' view is that any surplus cash should be returned to all shareholders by way of a distribution. The Company's

Ordinary Shares and B Shares are listed on the London Stock Exchange. The share prices can be obtained from their website www.thelondonstockexchange.com. The ticker code is CR3 for Ordinary Shares and CR3B for B Shares.

Outlook

The economic outlook remains subdued and uncertain. Against this backdrop, it is encouraging that the level of debt in our underlying portfolio is relatively low and management teams have been strengthened where required. Together with the further capital that has either recently been invested or remains available, our largest companies in particular are well placed to deliver growth. Your Board and Manager are working towards creating value and seeking further realisations for our shareholders over the medium term.

Peter Smail

Chairman

22 August 2012

Investment Portfolio Summary

as at 30 June 2012

	Date of initial investments	Investment cost ⁽ⁱ⁾ £'000	Book cost ⁽ⁱⁱ⁾ £'000	Valuation £'000	% of net assets by value
Unquoted Investments					
Core Capital I LP ("CCILP") Limited partnership Fund	Jul-11	15,530	15,530	17,287	67.3
Pureleaf Limited (trading as Momentous Moving Excellence) Provider of removal and storage services	Jan-07	4,850	4,016	3,525	13.7
Allied International Holdings Limited Destination management company	Nov-09	2,245	2,245	2,168	8.4
CP Newco Limited; investment held in Cording Land LLP A real-estate investment and asset management company	Dec-08	1,400	1,400	1,400	5.5
Augentius Fund Administration LLP Provider of fund management administration services	Oct-06	–	–	–	–
Total investments		24,025	23,191	24,380	94.9
Net current assets				1,313	5.1
Net assets				25,693	100.0

⁽ⁱ⁾ Original investment cost

⁽ⁱⁱ⁾ This is based on the investment cost in respect of Core VCT III plc and fair value in respect of Core VCT I plc and Core VCT II plc as at 16 July 2009, the merger date of Core VCT 1 plc, Core VCT II plc and Core VCT III plc.

As at 30 June 2012, the fair value of the assets held by CCILP are:	£'000
Ark Home Healthcare Limited	3,871
Abriand Limited	25,930
Colway Limited	3,237
Kelway Limited	24,681
SPL Services Limited	3,629
	61,348
Net current assets	12,608
Total Fund Value	73,956
Group's interest in CCILP	17,287

During the period, Core Mezz II Limited was amalgamated with Ark Home Healthcare Limited.

Manager's Review

Investment Highlights

- £0.35 million invested in one existing portfolio company, Allied International Holdings Limited
- Further draw down of £3.5 million by Core Capital I LP.

Core Capital I LP ("CCILP")

During the period a further £3.5 million was drawn down from the institutional investors to fund the capital expenditure in Abriand Limited, following the acquisition of the London Chéz Gerard sites from the administrator of Paramount Restaurants. The conversion of the former Chéz Gerard sites is well advanced, with 5 of the 7 sites now converted and operating under the Brasserie Blanc brand. In addition, the pace of organic growth has continued with the opening of 3 new Brasserie Blanc sites in the period, bringing the total estate to 17 units. Since the Fund was launched in July 2011, it has committed £20.2 million to Abriand Limited.

It is intended that the remaining undrawn commitment of £9.8 million (net of General Partner Fee) will be deployed in Ark Home Healthcare Limited, Colway Limited and SPL Services Limited. The largest proportion would be utilised by Ark Home Healthcare Limited to fund organic growth in both Complex Care and Domiciliary Care and further acquisitions in these segments.

As at 30 June 2012, of the £46.8 million of new money raised, £34.8 million has been utilised, leaving total remaining capital to be called of £12 million.

Existing Investments

During the period, Allied International Holdings Limited, an investment directly held by Core VCT plc, required additional funding to progress with its turnaround plans. Both Core VCT IV plc and Core VCT V plc did not support the funding due to cash constraints within each VCT. Core VCT plc provided £350,000 by way of a loan to provide preference on the capital. Allied's valuation reduced by £440,000 during the period, reflecting the decline in current trading.

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

Core Capital I LP ("CCILP")

Limited Partnership Fund

All Core Capital LLP managed funds

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

Core VCT plc only (through Core BVI Limited)

Cost:	£15,530,000
Valuation:	£17,287,000
Valuation basis:	% of Fund value
% of equity held*:	23.38%

Core Capital I LP closed on 8 July 2011 with a value of £76 million.

Since the launch of CCILP, £54.4 million has been drawn to 30 June 2012. Growth capital of £15.6 million was provided to Abriand Limited (formerly Brasserie Bar Co plc) 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 Kelway Limited and Abriand Limited as part of a wider reorganisation.

As at 30 June 2012, the value of CCILP is £74 million and commitments totalling £12 million remain to be called from investors.

The fair value of the assets held by CCILP are detailed on page 4.

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 plc only

Cost:	£4,850,000
Merger Cost:	£4,016,000
Valuation:	£3,525,000
Valuation basis:	NAV
% of equity held:	49.9%

Year ended 31 May	2011	2010
	£'000	£'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 as well as growth in its individual corporate relocation business which has improved the profits in the business.

Allied International Holdings Limited

Destination Management Company

All Core Capital LLP managed funds

First Investment:	Nov-09
Total Investment Cost:	£6,999,000
Total equity held:	65.5%

Core VCT plc only

Cost:	£2,245,000
Merger Cost:	£2,245,000
Valuation:	£2,168,000
Valuation basis:	Gross Profit
	Multiple
% of equity held:	22.2%

Year ended	2011	2010
	USD'000	USD'000
31 December	42,138	31,445
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 purchasing 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 should now grow into a major global operation.

We have introduced new management at a senior level, eliminated senior debt and provided further funding during 2012 to fund working capital requirements. The further investment of £0.35 million was funded by Core VCT plc only due to the cash constraints of Core VCT IV plc and Core VCT V plc

Manager's Review

Cording Land LLP

All Core Capital LLP managed funds

First Investment:	Dec-08
Total Investment Cost:	£1,420,000
Total equity held:	25%

Core VCT plc only

Cost:	£1,400,000
Merger Cost:	£1,400,000
Valuation:	£1,400,000
Valuation basis:	FUM%
% of equity held:	25%

Property Investment and Asset Management

Year ended 31 March	2011	2010
	£'000	£'000
Sales	425	136
EBIT	(128)	(639)
Profit/(loss) before tax	200	(270)
Net assets	1,400	1,400

cordingland

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

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

The investment is held through CP Newco Limited, in which a net total of £1.4 million has been invested following Core VCT plc being returned £0.6 million by way of a capital reduction.

Augentius Fund Administration LLP

All Core Capital LLP managed funds

First Investment:	Oct-06
Total Investment Cost:	£480
Total equity held:	-

Core VCT plc only

Cost:	£480
Merger Cost:	£480
Valuation:	£480
Valuation basis:	Cost
% of equity held:	1%

Year ended	2010	2009
30 September	£'000	£'000
Sales	11,800	9,527
EBIT	2,355	1,517
Profit before tax	2,341	1,533
Net assets	2,669	1,769



Private Equity and Real Estate

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

The business operates from London, Guernsey, New York, Hong Kong, Singapore and Mauritius and provides outsourced administration services to many leading private equity and property funds. The loan notes were repaid during 2011, which repaid the total investment cost, and we now retain a small equity holding.

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2012

	Notes	Six months to 30 June 2012 (unaudited)		
		Revenue Return £	Capital Return £	Total £
Capital (losses)/gains on investments				
(Losses)/gains on investments held at fair value	6	–	(1,157,541)	(1,157,541)
		–	(1,157,541)	(1,157,541)
Revenue				
Investment income	3	10,000	–	10,000
Other income	3	448	–	448
Total income		10,448	(1,157,541)	(1,147,093)
Expenditure				
Other expenses		(138,864)	–	(138,864)
Total expenditure		(138,864)	–	(138,864)
(Loss)/profit before taxation		(128,416)	(1,157,541)	(1,285,957)
Taxation	4	–	–	–
(Loss)/profit for year/total comprehensive income		(128,416)	(1,157,541)	(1,285,957)
Return per ordinary share (pence):	5	(0.30)	(2.67)	(2.97)

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 period.

Principal Risks and Uncertainties

The Company's assets consist of unquoted investments, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic risks, the loss of approval as a Venture Capital Trust, failure to comply with other regulatory requirements, and broader risks such as reputational, operational and financial risks. These risks, and the way in which they are managed, are described in more detail in the Annual Report for the year ended 31 December 2011, in note 17 to the accounts. The Company's principal risks and uncertainties have not changed materially since the date of that report and it is not envisaged that there will be any changes to the risks and uncertainties in the remaining six months of the financial year.

Six months to 30 June 2011 (unaudited)			Year to 31 December 2011 (audited)		
Revenue Return £	Capital Return £	Total £	Revenue Return £	Capital Return £	Total £
–	1,722,983	1,722,983	–	(5,770,276)	(5,770,276)
–	1,722,983	1,722,983	–	(5,770,276)	(5,770,276)
94,202	–	94,202	393,883	–	393,883
2,274	–	2,274	2,669	–	2,669
96,476	1,722,983	1,819,459	396,552	(5,770,276)	(5,373,724)
(144,466)	(510,000)	(654,466)	(354,113)	(510,889)	(865,002)
(144,466)	(510,000)	(654,466)	(354,113)	(510,889)	(865,002)
(47,990)	1,212,983	1,164,993	42,439	(6,281,165)	(6,238,726)
–	–	–	–	–	–
(47,990)	1,212,983	1,164,993	42,439	(6,281,165)	(6,238,726)
(0.11)	2.80	2.69	0.10	(14.51)	(14.41)

Related Party Transactions

Details of related party transactions in accordance with Disclosure and Transparency Rule 4.2.8 can be found in Note 8 to the Accounts on page 15.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- (a) the summarised set of financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting';
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);
- (c) the summarised set of financial statements gives a true and fair view of the assets, liabilities and financial position and profit and loss of the Company as required by DTR 4.2.4R; and
- (d) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and charges therein)

For and on behalf of the Board:

Peter Smail, *Chairman*
22 August 2012

Consolidated Balance Sheet

as at 30 June 2012

	Notes	As at 30 June 2012 (unaudited) £	As at 30 June 2011 (unaudited) £	As at 31 December 2011 (audited) £
Non-current assets				
Investments at fair value	6	24,379,551	39,699,628	25,187,092
Current assets				
Other receivables		8,917	304,068	6,541
Cash		1,396,989	967,079	3,645,336
		1,405,906	1,271,147	3,651,877
Current liabilities				
Other payables		(91,751)	(525,195)	(127,249)
Net current assets		1,314,155	745,952	3,524,628
Net assets		25,693,706	40,445,580	28,711,720
Capital and reserves				
Called up Ordinary share capital		4,330	4,330	4,330
Called up B share capital		2,887	2,887	2,887
Share premium account		–	30,879,638	–
Special distributable reserve		30,635,667	5,818,227	32,367,724
Capital reserve		(4,588,085)	4,063,604	(3,430,544)
Revenue reserve		(361,093)	(323,106)	(232,677)
Equity shareholders' funds		25,693,706	40,445,580	28,711,720
Assets attributable to				
Ordinary Shareholders	7	25,690,820	40,442,694	28,708,834
Assets attributable to				
B Shareholders	7	2,886	2,886	2,886
Net assets per 0.01p				
Ordinary Share	7	59.33p	93.39p	66.30p
Net assets per 0.01p				
B Share	7	0.01p	0.01p	0.01p

Consolidated Statement of Changes in Equity

as at 30 June 2012

	Called-up Ordinary Share capital £	Called-up B Share capital £	Share premium £	Special distribu- table reserve £	Capital reserve £	Revenue reserve £	Total £
For six months ended							
30 June 2012 (unaudited)							
Net assets at 1 January							
2012	4,330	2,887	–	32,367,724	(3,430,544)	(232,677)	28,711,720
Loss for the year/total comprehensive income	–	–	–	–	(1,157,541)	(128,416)	(1,285,957)
Dividends paid	–	–	–	(1,732,057)	–	–	(1,732,057)
Net assets at 30 June							
2012	4,330	2,887	–	30,635,667	(4,588,085)	(361,093)	25,693,706
For six months ended							
30 June 2011 (unaudited)							
Net assets at 1 January							
2011	4,330	2,887	30,879,638	5,818,227	2,850,621	(275,116)	39,280,587
Profit/(loss) for the year/ total comprehensive income	–	–	–	–	1,212,983	(47,990)	1,164,993
Net assets at 30 June							
2011	4,330	2,887	30,879,638	5,818,227	4,063,604	(323,106)	40,445,580
For the year ended							
31 December 2011							
(audited)							
Net assets at 1 January							
2011	4,330	2,887	30,879,638	5,818,227	2,850,621	(275,116)	39,280,587
(Loss)/profit for the year/ total comprehensive income	–	–	–	–	(6,281,165)	42,439	(6,238,726)
Dividends paid	–	–	–	(4,330,141)	–	–	(4,330,141)
Cancellation of Share Premium account	–	–	(30,879,638)	30,879,638	–	–	–
Net assets at							
31 December 2011	4,330	2,887	–	32,367,724	(3,430,544)	(232,677)	28,711,720

Consolidated Cash Flow Statements

for the six months ended 30 June 2012

	Six months ended 30 June 2012 (unaudited) £	Six months ended 30 June 2011 (unaudited) £	Year ended 31 December 2011 (audited) £
Net cash (outflow)/inflow from operating activities	(516,290)	(503,878)	6,504,520
Financing activities			
Equity dividends paid	(1,732,057)	–	(4,330,141)
Net cash outflow from financing activities	(1,732,057)	–	(4,330,141)
Net (decrease)/increase in cash and cash equivalents	(2,248,347)	(503,878)	2,174,379
Cash and cash equivalents at beginning of period	3,645,336	1,470,957	1,470,957
Cash and cash equivalents at end of period	1,396,989	967,079	3,645,336
Reconciliation of (loss)/profit before taxation to net cash (outflow)/inflow from operating activities			
(Loss)/profit before taxation	(1,285,957)	1,164,993	(6,238,726)
Losses/(gains) on investments	1,157,541	(1,722,983)	5,770,276
Purchases of investments	(350,000)	(605,000)	(16,751,214)
Sale of investments	–	209,145	23,588,738
(Increase)/decrease in accrued income and prepayments	(2,376)	18,292	100,718
(Decrease)/increase in other payables	(35,498)	431,675	34,728
Net cash (outflow)/inflow from operating activities	(516,290)	(503,878)	6,504,520

Notes to the Unaudited Financial Statements

for the six months ended 30 June 2012

- The unaudited interim results have been prepared on the basis of accounting policies set out in the statutory accounts of the Group for the year ended 31 December 2011 and in accordance with International Accounting Standard ('IAS') 34. Unquoted investments have been valued in accordance with IPEVC guidelines. These statements have been prepared on a going concern basis and nothing has happened that would change the Directors' going concern assessment from the last audited financial statements to 31 December 2011. 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 12 months from the date the financial statements were approved. At 30 June 2012, the Company held cash balances of £1.4 million. Cashflow projections have been reviewed and show that the Company has sufficient funds to meet its contracted expenditure.
- Earnings for the first six months should not be taken as a guide to the results of the financial year to 31 December 2012.

3. Income

	Six months ended 30 June 2012 (unaudited) £	Six months ended 30 June 2011 (unaudited) £	Year ended 31 December 2011 (audited) £
Investment income	10,000	94,202	393,883
Other income			
Deposit interest	48	2,274	2,669
	10,048	96,476	396,552

4. Taxation

There will be no tax charge due by the Company since total expenses (including fees allocated to capital) are expected to be more than income.

5. Return per ordinary share

	Six months ended 30 June 2012 (unaudited) £	Six months ended 30 June 2011 (unaudited) £	Year ended 31 December 2011 (audited) £
(i) Basic return from ordinary activities after taxation	(1,285,957)	1,164,993	(6,238,726)
Basic return per share	(2.97)p	2.69p	(14.41)p
(ii) Net revenue return from ordinary activities after taxation	(128,416)	(47,990)	42,439
Revenue return per share	(0.30)p	(0.11)p	0.10p
(iii) Net capital return from ordinary activities after taxation	(1,157,541)	1,212,983	(6,281,165)
Capital return per share	(2.67)p	2.80p	(14.51)p
(iv) Weighted average number of ordinary shares in issue in the period	43,301,414	43,301,414	43,301,414

6. Investments

	Unlisted (Level 3) £	Total £
Valuation at 31 December 2011	25,187,092	25,187,092
Purchases at cost	350,000	350,000
Investment holding losses	(1,157,541)	(1,157,541)
Valuation at 30 June 2012	24,379,551	24,379,551
Book cost at 30 June 2012	23,540,473	23,540,473
Investment holding gains at 30 June 2012	839,078	839,078
Valuation at 30 June 2012	24,379,551	24,379,551

7. Net asset values

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

The attribution to the B shares of purely the capital contributed of 0.01 pence per share reflects the Board's best estimate at 30 June 2012 of the B shares' entitlement to assets at 30 June, given the inherent uncertainties in projecting the investment performance of the Manager (which will ultimately determine the B shares' entitlement to the Company's assets). The Net Asset Values per share have been calculated by reference to the number of shares in issue as at 30 June 2012.

	As at 30 June 2012 £	As at 30 June 2011 £
Share Capital: 43,301,414 ordinary shares of 0.01p	4,330	4,330
28,867,227 B shares of 0.01p	2,887	2,887
	7,217	7,217

Notes to the Unaudited Financial Statements

for the six months ended 30 June 2012

7. Net asset values (continued)

	Total attributable net assets 30 June 2012	Net asset value £ (pence per share)
Ordinary Shares of 0.01p each in accordance with the Articles	21,239,896	49.05
Additional entitlement to assets on attributed basis	4,450,924	10.28
Attributed basis	25,690,820	59.33
B Shares of 0.01p each in accordance with the Articles	4,453,810	15.43
Reduced entitlement to assets on attributed basis	(4,450,924)	(15.42)
Attributed basis	2,886	0.01

8. Related Party Transactions

David Dancaster is a partner of Core Capital LLP, the Company's Manager, and the group finance director of Caparo plc, which is a member of Core Capital LLP. Caparo hold 1,177,254 ordinary shares and 34,807 B shares in Core VCT plc. No amounts have been paid or are payable to Caparo plc except dividends paid to all ordinary shareholders of the Company totalling a cumulative weighted average of 31.15p per share to 30 June 2012. Nothing (2001: £nil) was due to the Manager at 30 June 2012. Details of the carried interest arrangements between the Company and the Manager are set out in Note 3 of the Annual Report and Accounts to 31 December 2011. Following the launch of Core Capital LLP, the general partner of the LP, receives £750,000 per annum until the fourth anniversary, payable out of the assets of Core Capital I LP.

9. The financial information for the six months ended 30 June 2012 and 30 June 2011 has neither been audited nor reviewed.
10. These are not statutory accounts in terms of Section 434 of the Companies Act 2006. Statutory accounts for the year to 31 December 2011, which received an unqualified audit report and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006, have been lodged with the Registrar of Companies. No statutory accounts in respect of any period after 31 December 2011 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
11. Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, 9 South Street, London W1K 2XA.

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, Capita Registrars (see back of cover for details). Calls cost 10p per minute plus network extras.

Share Price

The Company's Ordinary Shares and B Shares are listed on the London Stock Exchange www.thelondonstockexchange.com. The ticker code is CR3 for the Ordinary Shares and CR3B for the B Shares.

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, Capita Registrars Limited, under the signature of the registered holder.

Trading Shares

The Company's Ordinary Shares and B 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 plc is Matrix Corporate Capital.

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

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

Core VCT plc is managed by Core Capital LLP which is authorised and regulated by the FSA. Past performance is not a guide to future performance. Stock markets may cause the value of investments to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility may increase the risk to the value of the investment.

Indicative Financial Calendar

During November 2012

Interim Management Statement to 30 September 2012

During March 2013

Publish annual results to 31 December 2012

During May 2013

Annual General Meeting

Corporate Information

Directors

Peter Smail (Chairman)
John Brimacombe*
David Dancaster

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

Registered office

9 South Street
London
W1K 2XA

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

Bankers

Lloyds Banking Group
PO Box No. 39900 Level 7
Bishopsgate Exchange
155 Bishopsgate
London EC2M 3YB

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

VCT Tax Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Solicitors

Howard Kennedy
19 Cavendish Square
London
W1A 2AW

Registrar

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Company No : 5572561

www.core-cap.com



Share Fraud Warning

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls come from fraudsters operating in “boiler rooms” that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Services Authority (FSA) has found most share fraud victims are experienced investors who lose an average of £20,000, with around £200 million lost in the UK each year.

Protect Yourself

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

1. Get the name of the person and organisation contacting you.
2. Check the FSA Register at www.fsa.gov.uk/fsaregister to ensure they are authorised.
3. Use the details on the FSA Register to contact the firm.
4. Call the FSA Consumer Helpline on **0845 606 1234** if there are no contact details on the Register or you are told they are out of date.
5. Search our list of unauthorised firms and individuals to avoid doing business with.
6. **REMEMBER: if it sounds too good to be true, it probably is!**

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) if things go wrong.

Report A Scam

If you are approached about a share scam you should tell the FSA using the share fraud reporting form at www.fsa.gov.uk/scams, where you can find out about the latest investment scams. You can also call the Consumer Helpline on **0845 606 1234**.

If you have already paid money to share fraudsters you should contact Action Fraud on

0300 123 2040