

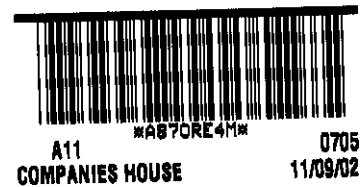
Baronsmead VCT 3 plc

(Registered Number 4115341)

**INTERIM ACCOUNTS PREPARED IN ACCORDANCE
WITH SECTION 272 COMPANIES ACT 1985**

FOR THE SIX MONTHS

TO 30 JUNE 2002



Baronsmead VCT 3 plc
Profit and Loss Account

	Notes	Six Months to 30 June 2002 £'000	Period from 22 November 2000 to 31 December 2001 £'000
Income			
Franked investment income		14	-
Unfranked investment income		994	833
Deposit interest		25	671
Other income		4	-
Total income	1	<u>1,037</u>	<u>1,504</u>
Expenses			
Management and other expenses		(251)	(407)
Revenue before taxation		<u>786</u>	<u>1,097</u>
Taxation	2	(232)	(322)
Earnings		<u>554</u>	<u>775</u>
Dividends		(468)	(760)
Transfer to reserves		<u>86</u>	<u>15</u>
Earnings per ordinary share		1.66p	2.52p
Dividend per ordinary share		1.40p	2.30p

Baronsmead VCT 3 plc

Balance Sheet

	Notes	As at 30 June 2002 £'000	As at 31 December 2001 £'000
Fixed Assets			
Investments	3	28,844	30,889
Current Assets			
Debtors	4	703	616
Cash at bank and on deposit		3,286	408
Creditors (amounts falling due within one year)	5	(1,097)	(844)
Net current assets		<u>2,892</u>	<u>180</u>
Total assets less current liabilities		<u>31,736</u>	<u>31,069</u>
Capital and Reserves			
Ordinary shares	6	3,340	3,311
Share premium account	7	28,391	28,139
Capital reserve realised	8	(716)	(362)
Capital reserve unrealised	8	620	(34)
Revenue reserve	8	101	15
Shareholders' funds		<u>31,736</u>	<u>31,069</u>
Net asset value per ordinary share		95.02p	93.85p



Director
12 August 2002

Baronsmead VCT 3 plc

Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

a) Basis of accounting

The unaudited interim results have been drawn up in accordance with the applicable accounting standards, adopting the accounting policies set out in the statutory accounts for the year ended 31 December 2001.

b) Valuation of investments

UK listed investments have been valued at middle market prices. Investments traded on the AiM market are valued at the middle market price quoted by the market-makers.

Unlisted investments are valued by Directors on the basis of all information available to them at the time of valuation.

New shares purchased are valued at cost until such time as the new shares commence trading on the AiM market.

c) Income

Dividends are recognised as income on the date that the related investments are marked ex-dividend.

Income from fixed interest securities, other investment income and deposit income are included on an accruals basis.

d) Expenses

All expenses are accounted for on an accruals basis.

Expenses are charged through the revenue account except where incurred in connection with the maintenance or enhancement of the value of the Company's assets and taking account of the expected long term returns as follows:

- Management fees payable have been allocated 25 per cent to revenue and 75 per cent to capital.

e) Capital reserves

Capital reserve realised

The following are accounted for in this reserve:

- gains and losses on realisation of investments
- expenses, together with the related taxation effect, charged to this reserve in accordance with the above policies

Capital reserve unrealised

The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the half year.
- provision for management incentive fee.

Baronsmead VCT 3 plc

	Six Months to 30 June 2002 £'000	Period from 22 November 2000 to 31 December 2001 £'000
1. Income		
Listed UK	928	786
Unlisted UK	80	47
Deposit interest	25	671
Underwriting commission and other income	4	-
	<hr/> 1,037 <hr/>	<hr/> 1,504 <hr/>
2. Taxation		
Corporation tax	232	322
	<hr/> 232 <hr/>	<hr/> 322 <hr/>
3. Investments		
Valuation at 31 December 2001	30,889	
Unrealised depreciation	34	
Cost at 30 November 2001	<hr/> 30,923	
Additions at cost	7,636	
Disposals at cost	(10,335)	
Cost at 30 June 2002	<hr/> 28,224	
Unrealised appreciation	620	
Valuation at 30 June 2002	<hr/> 28,844 <hr/>	
Quoted on the Alternative Investment Market	3,016	
Unquoted investments	5,724	
Listed fixed interest investments	20,104	
	<hr/> 28,844 <hr/>	

Baronsmead VCT 3 plc

Notes to the Accounts

	As at 30 June 2002 £'000	As at 31 December 2001 £'000
4. Debtors		
Accrued income	687	616
Other debtors	16	-
	<hr/> 703	<hr/> 616
	<hr/>	<hr/>
5. Creditors (amounts falling due within one year)		
Dividend	468	430
Other creditors	321	247
Taxation	308	167
	<hr/> 1,097	<hr/> 844
	<hr/>	<hr/>
6. Share Capital		
Authorised		
80,000,000 ordinary shares at 10p each		8,000
		<hr/> 8,000
		<hr/>
Allotted, called up and fully paid:		
33,106,153 shares at 31 December 2001		3,311
418,993 shares issued		42
125,000 shares bought back		(13)
		<hr/> 3,340
As at 30 June 2002		<hr/>

Baronsmead VCT 3 plc

Notes to the Accounts

7. Share Premium Account	£'000
33,106,153 shares at 31 December 2001	28,139
418,993 shares issued	365
125,000 shares bought back	(113)
	<hr/>
As at 30 June 2002	28,391
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8. Reserves

Capital Reserve Realised

At 31 December 2001	(362)
Loss on sale of investments	(163)
Management fees charged to capital	(282)
Corporation tax	91
	<hr/>
At 30 June 2002	(716)
	<hr/>

Capital Reserve Unrealised

At 31 December 2001	(34)
Appreciation of investments during the period	654
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At 30 June 2002	620
	<hr/>

Revenue Reserve

At 31 December 2001	15
Transfer to revenue account	86
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At 30 June 2002	101
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