Core VCT plc

Company Registration Number 5572561

Section 838 of the Companies Act 2006 - **Interim Accounts** for the year to 31 December 2011 (unaudited)

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2011

Revenue Notes	Capital Notes		2011 Revenue £	2011 Capital £	2011 Total £	2010 Revenue £	2010 Capital £	2010 Total £
	10	(Losses)/gains on investments held at fair value	-	(5,770,276)	(5,770,276)	-	1,789,043	1,789,043
		Currency gains	-	-	-	-	716	716
		Revenue						
3		Investment Income	393,883	-	393,883	152,182	-	152,182
3		Other Income	2,669	-	2,669	10,665	-	10,665
		Total Income	396,552	(5,770,276)	(5,373,724)	162,847	1,789,759	1,952,606
		Expenditure						
4		Transactions Costs and Investment Management Fees	-	-	-	(634)	(19,075)	(19,709)
5		Other Expenses	(354,113)	(510,889)	(865,002)	(378,471)	-	(378,471)
		Total Expenditure	(354,113)	(510,889)	(865,002)	(379,105)	(19,075)	(398,180)
		Profit/(loss) before taxation	42,439	(6,281,165)	(6,238,726)	(216,258)	1,770,684	1,554,426
7		Taxation on ordinary activities	-	-	-	-	-	-
		Profit/(loss) for year/total comprehensive income	42,439	(6,281,165)	(6,238,726)	(216,258)	1,770,684	1,554,426
8	8	**Return per share – pence**	**0 10p**	**(14 31)p**	**(14 41)p**	**(0 50)p**	**4 09p**	**3 59p**

The total column of this statement represents the Statement of Comprehensive Income of the Group as prepared in accordance with IFRS The supplementary revenue and capital columns are both prepared under guidance publsihed by the Associaiton of Investment Companies

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

Statement of Changes in Equity

	Called up Ordinary Share capital £	Called up B Share Capital £	Share Premium £	Capital Reserve £	Special Distributable Reserve £	Revenue reserve £	Total £
Group							
For the year ended 31 Dec 2011							
Net assets at 1 January 2011	4,330	2,887	30,879,638	2,850,621	5,818,227	(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**	**-**	**(3,430,544)**	**32,367,724**	**(232,677)**	**28,711,720**

	Called up Ordinary Share capital £	Called up B Share Capital £	Share Premium £	Capital Reserve £	Special Distributable Reserve £	Revenue reserve £	Total £
For the year ended 31 Dec 2010							
Net assets at 1 January 2010	4,330	2,887	30,858,154	1,079,937	5,818,227	(58,858)	37,704,677
Profit/(loss) for the year/total comprehensive income	-	-	-	1,770,684	-	(216,258)	1,554,426
Over accrual of merger costs in prior year	-	-	21,484	-	-	-	21,484
Net assets at 31 December 2010	**4,330**	**2,887**	**30,879,638**	**2,850,621**	**5,818,227**	**(275,116)**	**39,280,587**

	Called up Ordinary Share capital £	Called up B Share Capital £	Share Premium £	Capital Reserve £	Special Distributable Reserve £	Revenue reserve £	Total £
Company							
For the year ended 31 Dec 2011	4,330	2,887	30,879,638	2,850,621	5,818,227	(275,116)	39,280,587
Net assets at 1 January 2011	-	-	-	-	-	-	-
(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**	**-**	**(3,430,544)**	**32,367,724**	**(232,677)**	**28,711,720**

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Over accrual of merger costs in prior year	-	-	21,484	-	-	-	21,484
Net assets at 31 December 2010	**4,330**	**2,887**	**30,879,638**	**2,850,621**	**5,818,227**	**(275,116)**	**39,280,587**

Unaudited Balance Sheets

As at 31 December 2011

Notes		31 December 2011		31 December 2010	
		Group	Company	Group	Company
		£	£	£	£
	Fixed assets				
10	Investments	25,187,092	25,187,092	37,531,992	37,531,992
11	Subsidiary Undertaking	-	1,000	-	-
		25,187,092	25,188,092	37,531,992	37,531,992
	Current assets				
12	Other receivables	6,541	6,541	370,159	370,159
	Cash	3,645,336	3,644,336	1,470,957	1,470,957
		3,651,877	3,650,877	1,841,116	1,841,116
	Current Liabilities				
13	Other payables	(127,249)	(127,249)	(92,521)	(92,521)
	Net current liabilities	3,524,628	3,523,628	1,748,595	1,748,595
	Net assets	**28,711,720**	**28,711,720**	**39,280,587**	**39,280,587**
	Capital and reserves				
14	Called up Ordinary Share capital	4,330	4,330	4,330	4,330
14	Called up B Share capital	2,887	2,887	2,887	2,887
	Share premium account	-	-	30,879,638	30,879,638
	Capital reserve	(3,430,544)	(3,430,544)	2,850,621	2,850,621
	Special distributable reserve	32,367,724	32,367,724	5,818,227	5,818,227
	Revenue reserve	(232,677)	(232,677)	(275,116)	(275,116)
	Total equity shareholders' funds	**28,711,720**	**28,711,720**	**39,280,587**	**39,280,587**
	Net asset value per 0 01p Ordinary Share	**66 30p**	**66 30p**	**90 70p**	**90 70p**
	Net asset value per 0 01p B Share	**0 01p**	**0 01p**	**0 01p**	**0 01p**

Approved by the Board on 14 February 2012 and signed on its behalf by

Peter Smaill

Peter Smaill
Chairman

Notes on the Accounts (Unaudited)

1 ACCOUNTING PERIOD

The results for the year to 31 December 2011, which are unaudited, consitute non-statutory accounts within the meaning of Section 434 of the Companies Act 2006 The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 December 2010 The report of the auditors thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006

2 ACCOUNTING POLICIES

A summary of the principal accounting policies adopted 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

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 Trust" ('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

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)

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 operation existence for the foreseeable future For this reason, they continue to adopt the going concern basis in preparing the accounts

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

International Accounting Standards (IAS/FRS)	Effective date for accounting periods starting on or after
Amendments to IAS 24 – Related Party Disclosures	1 January 2011
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 interpretation 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 (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

(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

Notes on the Accounts (Unaudited) (continued)

(d) Investments

Investments other than the subsidiary undertaking are classified as fair value through the profit and loss at initial recognition and are recognised on trade date The subsidiary undertaking is valued at cost less any impairment incurred Financial assets designed 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 (IPEV) 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 month and which have gone beyond the stage in their development in (ii) above, the share 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

The Board has considered the intrinsic value of the B shares allotted to the Manager at the year end, as the valuation should be considered over the period of the Manager's service The resulting valuation, less the amount subscribed by the Manager for these shares, is spread over the estimated investing period

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 tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date Deferred tax is measured on a non-discounted basis

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital reserve and a corresponding amount is charged against revenue The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses

(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

Notes on the Accounts (Unaudited) (continued)

3 INCOME

	2011	2010
	£	£
Investment Income	393,883	152,182
Other Income		
Deposit Interest	2,669	10,665
Total Income	396,552	162,847

4 TRANSACTION COSTS AND INVESTMENT MANAGEMENT EXPENSE

	2011	2010
	£	£
Third Party – transaction costs	-	17,172
Credit Suisse – management fees	-	2,537
	-	19,709

Third Party transaction costs arose from aborted transactions where such costs were not otherwise recoverable Under the agreement with the Manager, these costs are borne by the Company and by other VCTs managed by Core Capital LLP

5 Other expenses

	2011	2010
	£	£
Directors' remuneration	58,500	58,900
Employer's NIC	4,923	4,923
IFA trail commission	-	6,654
Administration fees	149,679	143,538
Broker's fees	12,000	6,261
Auditors' fees – audit	34,800	39,600
– other services	8,920	2,350
Taxation services	3,000	2,938
Registrar's fees	19,871	11,892
Printing	11,660	14,762
Legal and professional	12,000	52,698
Directors' insurance	14,522	11,188
Subscriptions	20,767	19,767
Sundry	3,471	3,000
All expenses are stated gross of irrecoverable VAT where applicable	354,113	378,471

The Group has also incurred costs of £510,889 in relation to the Proposals as outlined in the Circular dated 9 June 2011 These costs have been capitalised

6 DIRECTORS' REMUNERATION AND CONTRACTS

	2011	2010
	£	£
Peter Smaill (Chairman)	22,500	22,500
Lord Peter Walker (deceased 23 June 2010)	-	9,000
John Brimacombe	18,000	18,000
David Dancaster	18,000	9,400
	58,500	58,900

7 TAXATION ON ORDINARY ACTIVITIES

a) Analysis of tax charge for the period

	2011			2010		
	Revenue	Capital	Total	Revenue	Capital	Total
	£	£	£	£	£	£
Corporation Tax	-	-	-	-	-	-

Notes on the Accounts (Unaudited) (continued)

8 RETURN PER ORDINARY SHARE

	2011 £	2010 £
Total return from ordinary activities after taxation	(6,238,726)	1,554,426
Total return per share	**(14 41)p**	**3 59p**
Net revenue from ordinary activities after taxation	42,439	(216,258)
Revenue return per share	**0 10p**	**(0 50)p**
Net capital return from ordinary activities after taxation	(6,281,165)	1,770,684
Capital return per share	**(14 31)p**	**4 09p**
Weighted average number of ordinary shares in issue	43,301,414	43,301,414

9 DIVIDENDS

Dividends on ordinary shares	Payment date	2011 £	2010 £
First interim capital dividend of 10p per share	26 Aug 11	(4,330,141)	-
Final dividend for the year ended 31 December 2011 of £nil (2010 nil)		-	-
		(4,330,141)	-

The first interim capital dividend in respect of the year ending 31 December 2012 of 4 0p will be paid on 28 February 2012 to shareholders registered on 10 February 2012 The total cost of this dividend, based on shares in issue and entitled to dividend on 10 February 2012 of 43,301,414, is £1 7 million

	2011 £
Special Distributable Reserve brought forward	5,818,227
Cancellation of share premium account	30,879,638
Dividends paid	(4,330,141)
Special Distributable Reserve at 31 December 2011	**32,367,724**
First interim capital dividend of 4p per ordinary share to 31 December 2012, payable on 28 February 2012	(1,732,057)
Special Distributable Reserve after taking account of the first interim capital dividend	**30,635,667**