



**C O R E**

## **CORE VCT V PLC**

---

**Unaudited Half-Yearly Report  
for the six months ended 30 June 2008**

# Investment Objective

Core VCT V plc ("Core VCT V", "the Company" or "the Fund") is a tax efficient listed company which aims to achieve an attractive yield 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 will invest alongside Core VCT IV plc, and has a co-investment policy with the other Core VCTs 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 – £8 million, of which £1 – £3 million may typically be provided by Core VCT V and Core VCT IV plc.

## Fund Structure

Core VCT V 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;

### ■ Provide attractive distributions

The Company intends to provide shareholders with an attractive level of income by distributing all available profits generated through income and capital gains, including the planned 30p per share distribution of the cash assets of the Fund after the third year.

## Performance Summary

Ordinary Shares	30 June 2008	30 June 2007	31 December 2007
Net asset value per share	88.51 pence	92.99 pence	92.86 pence
Total return in period per share <sup>1</sup>	89.01 pence	92.99 pence	92.86 pence
Share price (mid-market)	89.50 pence	100 pence	100 pence
Earnings per share	(3.85) pence	(1.59) pence	(2.20) pence
Cumulative dividends paid per share since inception	0.50 pence	0.00 pence	0.00 pence
Total expense ratio <sup>2</sup>	0.87%	1.07%	2.34%

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

<sup>2</sup>Total expense ratio has been calculated using total operating costs divided by closing net assets.

# Investment Policy

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

## ■ Asset Allocation

The Company may invest all 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. After 31 December 2009, the Company must have in excess of 70% of its assets invested in Qualifying Investments as defined for VCT purposes.

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

## ■ Risk Management

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

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

- The active monitoring of its investments by the Manager;
- Seeking the agreement of various rights associated with each investment, such as board representation, information rights and veto rights;
- Seeking to hold larger investment stakes by co-investing with other funds managed by the Manager, so as to gain more significant influence in the investment and to facilitate investing in larger companies which may reduce the risk compared to investing in smaller companies;
- 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, or may have, substantial borrowings from third party lenders.

# Chairman's Statement

## Results

The Net Asset Value (NAV) total return per Ordinary Share was 89.01p as at 30 June 2008, comprising a NAV per Ordinary Share of 88.51p and cumulative dividends paid of 0.50p per Ordinary Share. This is a decrease over the Total Return to 31 December 2007 of 4.15%. A deficit of £424,440 was made during the six month period, arising from losses incurred on the non qualifying portfolio managed by Credit Suisse. The performance is below expectations and there is an ongoing review of this with Credit Suisse. In the meantime, the investments made by Credit Suisse are being monitored closely to ensure that, as far as possible, such a loss is not repeated.

## Investments

The Manager's Review refers in more detail to the investment programme generally and the prospects of the investment portfolio. This now comprises two investments with a cost of £1.63 million and a valuation of £1.75 million, and as at 30 June 2008 the Fund was 16.46% invested compared to the requirement to be 70% invested by 31 December 2009 for VCT purposes.

Since the Fund was raised in April 2007, the Manager has exercised caution and patience in completing new investments in anticipation of the worsening economic climate which we are now experiencing. Whilst the pace of new investments has therefore been slower than might otherwise have been the case, your Fund has a strong liquidity position which can be used to increase the investment pace as acquisition terms become more attractive over the next 12 – 18 months.

## Dividends

Core VCT V intends to provide Shareholders with an attractive level of income by distributing all available profits generated through income and capital gains. Our ability to make distributions in the early years of the Fund's life depends largely on the performance on the Cash Asset portfolio managed by Credit Suisse; given the market conditions this has not produced sufficient income or profits and so we are not proposing an interim dividend. Following the year end, we would of course make a distribution of a substantial proportion of any profits or gains, if any, earned over the remainder of this financial year.

## Developments at the Manager

Core Capital has announced a new UK-wide business partnership with Aberdeen Asset Management plc ("Aberdeen"). This alliance is aimed at providing a wider pool of transaction opportunities to Core Capital, and facilitating in the completion of larger investments both of which should bring benefits to investors. In addition, Aberdeen will administer the Core VCTs from 1 July 2008, and we hope that shareholders will benefit from improvements in our communications in future. Further information on this important development is contained in the Manager's Review.

## Information for Shareholders

The Board supports open communication with investors and welcomes any comments or questions you may have. As a result of Aberdeen's appointment as administrator and company secretary, new contact details are provided at the back of this Report.

## Share Price

The Ordinary Shares (CR5) are fully listed shares and prices are available on [www.londonstockexchange.com](http://www.londonstockexchange.com) and published daily in the Financial Times. Shareholders are reminded that they must hold their shares for at least five years in order to retain tax reliefs obtained. Shareholders should take advice before acquiring or disposing of shares.

We are conscious that the mid price of the shares is at a discount to the Net Asset Value. This discount has widened over recent months, as it has for many other VCTs, which simply reflects the lack of liquidity in the secondary market.

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.

## **Outlook**

The current economic and investment outlook is very uncertain, with sentiment poor and liquidity, especially from banks, tightening. Our existing investments cannot be immune from these economic pressures, although the active management that goes into the portfolio is reaping benefits. A patient approach to completing new investments has left the Fund with a high level of liquidity which can be deployed over the next 18 months or so as we see the terms of new investments becoming more attractive.

## **Ray Maxwell**

*Chairman*

29 August 2008

## **Principal Risks and Uncertainties**

The Company's assets consist of unquoted investments, securities, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic risks, the loss of approval as a Venture Capital Trust, failure to comply with other regulatory requirements, and broader risks such as reputational, operational and financial risks. These risks, and the way in which they are managed, are described in more detail in the Annual Report for the period ended 31 December 2007, in note 18 to the accounts. The Company's principal risks and uncertainties have not changed materially since the date of that report and it is not envisaged that there will be any changes to the risks and uncertainties in the remaining six months of the financial year.

## **Related Party Transactions**

Details of related party transactions in accordance with Disclosure and Transparency Rule 4.2.8 can be found in Note 12 to the Accounts on page 19.

## **Responsibility Statement**

The Directors confirm that to the best of their knowledge:

- (a) the condensed set of financial statements have been prepared under the fair value rules of the Companies Act 1985, applicable accounting standards, ASB Statement on Half-Yearly Financial Reporting and the 2003 Statement of Recommended Practice "Financial Statements of Investment Trust Companies", revised December 2005, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, as required by Disclosure & Transparency Rule 4.2.4; and
- (b) the interim management report includes a fair review of the information required by Disclosure & Transparency Rules 4.2.7 - 8 in accordance with Disclosure & Transparency Rule 4.2.10.

For and on behalf of the Board:

Ray Maxwell

Chairman

## Co-investment scheme of the Manager

A co-investment scheme has been agreed with the Manager for implementation during the coming year which will allow executives and members of the Manager to invest alongside the Company. The Directors believe that the scheme will further the alignment of interests of the executives and the Company's shareholders by creating a mechanism for executives to make an investment in each transaction alongside the Company. In addition, the adoption of such a scheme brings Core Capital into line with several other leading VCT managers, and such a scheme is becoming an accepted incentive mechanism to enable the Manager to attract and retain high quality investment executives in a highly competitive market.

The scheme will operate through a nominee which will facilitate the investment alongside the Company in unquoted investments, including any follow-on investments. In an unlisted investment, the transaction will normally be structured such that 70% to 90% of the investment is by way of fixed interest instrument, loan note, or preferred instrument, and 30% to 10% in ordinary shares. The amount which will be invested by the nominee company is fixed at up to 5% of the value of the ordinary shares which are available to the Company.

# Investment Portfolio Summary

as at 30 June 2008

	Date of initial investment	Book cost £'000	Valuation £'000	% of net assets by value
<b>Qualifying investments (unquoted)</b>				
Colway Limited (trading as London Graphic Centre) Office and graphics supplies	Aug 2007	1,000	1,125	11.5%
Camwatch Limited Designer, supplier and installer of detector activated remote CCTV monitoring systems	Mar 2008	625	625	6.4%
<b>Total qualifying investments</b>		1,625	1,750	17.9%
<b>Non-qualifying investments</b>				
Short-dated fixed and variable securities		3,868	3,853	39.5%
Listed securities		368	279	2.9%
Funds and trusts		1,131	1,120	11.5%
<b>Total non-qualifying investments</b>		5,367	5,252	53.9%
<b>Total investments</b>		6,992	7,002	71.8%
Other assets			2,776	28.5%
Cash balances			281	2.9%
Current liabilities			(300)	(3.2)%
<b>Net assets</b>			9,759	100.0%

	Book cost £'000	Valuation £'000	% of net assets by value
<b>10 Largest investments:</b>			
Colway Limited	1,000	1,125	11.5%
City Financial Investment strategic gilt fund (UK Government Bond fund)	833	839	8.6%
Camwatch Limited	625	625	6.4%
Treasury 4% Stock 2009	408	407	4.2%
Acencia Debt Strategies Ltd (exchange traded debt hedge fund)	297	281	2.9%
Imperial Tobacco Canada 6.5% note (bond)	256	256	2.6%
JP Morgan International Derivatives instrument (structured investment product)	220	218	2.2%
BP Capital plc 5.375% medium term note (bond)	210	209	2.1%
Network Rail Ltd 4.875% medium term note (bond)	205	204	2.1%
GE Capital UK Funding floating rate note (bond)	203	204	2.1%
<b>Total</b>	4,257	4,368	44.7%

# Manager's Review

## Investment Highlights

- The investment portfolio now comprises two investments with a cost of £1.63 million and a value of £1.75 million;
- Our cautious approach to investing in new transactions has resulted in a slower investment rate, but has preserved liquidity so that we can invest more heavily when terms for new acquisitions improve;
- Core Capital has announced a new partnership with Aberdeen, giving us access to additional funds and investment opportunities, and an enhanced administrative and support infrastructure.

## Investments

Since the closing of the Fund in April 2007, we have taken a cautious and patient approach in assessing potential new investment opportunities, anticipating that economic conditions would worsen, as we are now seeing. We have not yet seen the prices sought for established businesses falling sufficiently to fully reflect these conditions, and accordingly we have completed only two investments. One of these, Camwatch, was completed in March this year and is detailed below. We anticipate that 2009 will be a more attractive year in which to make new investments, and that the Fund is well placed to benefit from this timing.

Each investment is described below:



Cost	Valuation
£1,000,000	£1,125,000

Colway is a long established office and graphic supplies business. Since our original investment, the business has completed four acquisitions and we are actively pursuing a 'buy & build' model to increase the scale of this business. Turnover has grown from £15.5 million at the date of our investment to over £20 million in the year ended 31 March 2008. Whilst we can expect some impact from the tougher economic climate, we are planning to take advantage of further acquisition opportunities as they arise.





## Camwatch Limited

Cost	Valuation
£625,000	£625,000

Camwatch is a designer, supplier, and installer of detector activated remote CCTV monitoring systems. It also provides a monitoring service for predominantly its own CCTV installations in addition to those of other CCTV providers.

Camwatch is an existing investment of Aberdeen, and is the first evidence of the investment opportunities that are now available to us as a result of our partnership, detailed below.

We invested a total of £1.25 million (£625,000 each) from Core VCT IV and V in a junior secured structure, with the majority of our anticipated return being earned through an attractive paid yield.

### Developments at Core Capital

Core Capital and Aberdeen have agreed a new UK-wide business partnership, aimed at leveraging the respective strengths of both businesses to provide the best possible returns for our investors.

Under the terms of this agreement, Core Capital and Aberdeen will operate as one team, sharing transactions and offering an integrated package of finance for fast growing SMEs and will manage in excess of £200m in funds.

This alliance will bring significant benefits to investors, providing access to a wider pool of transactions with broader geographical and risk diversification.

Aberdeen will also provide back-office administration, accounting and investor relations services to the Core Capital Funds and the new contact details are set out at the back of this report.

# Unaudited Income Statement

(incorporating the Revenue Account of the Company for the six months ended 30 June 2008)

	Notes	Six months ended 30 June 2008 (unaudited)		
		Revenue £	Capital £	Total £
Unrealised losses on investments	9	–	(98,037)	(98,037)
Realised losses on investments	9	–	(502,557)	(502,557)
Income	6	265,321	–	265,321
Transaction costs and investment management expense	1d)	(2,781)	(10,265)	(13,046)
Other expenses		(72,313)	–	(72,313)
<b>Return/(loss) on ordinary activities before taxation</b>		190,227	(610,859)	(420,632)
Tax on ordinary activities	7	(17,057)	13,249	(3,808)
<b>Return/(loss) attributable to equity Shareholders</b>		173,170	(597,610)	(424,440)
<b>Return/(loss) per 0.01p Ordinary Share</b>	8	1.57p	(5.42)p	(3.85)p

Period from 6 December 2006 to 30 June 2007 (unaudited)			Period from 6 December 2006 to 31 December 2007 (audited)		
Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
–	(106,730)	(106,730)	–	(89,581)	(89,581)
–	(6,125)	(6,125)	–	(93,037)	(93,037)
47,178	–	47,178	253,515	–	253,515
(1,692)	(7,169)	(8,861)	(4,608)	(53,584)	(58,192)
(100,333)	–	(100,333)	(180,988)	–	(180,988)
(54,847)	(120,024)	(174,871)	67,919	(236,202)	(168,283)
–	–	–	–	–	–
(54,847)	(120,024)	(174,871)	67,919	(236,202)	(168,283)
(0.50)p	(1.09)p	(1.59)p	0.89p	(3.09)p	(2.20)p

# Unaudited Balance Sheet

as at 30 June 2008

	Notes	As at 30 June 2008 (unaudited) £	As at 30 June 2007 (unaudited) £	As at 31 December 2007 (audited) £
<b>Fixed assets</b>				
Investments at fair value	9	7,002,001	5,094,408	7,018,219
<b>Current assets</b>				
Debtors and prepayments	5	2,775,672	2,775,251	2,655,525
Cash at bank		280,994	2,509,423	741,118
		3,056,666	5,284,674	3,396,643
<b>Creditors: amounts falling due within one year</b>		(299,919)	(97,356)	(176,549)
<b>Net current assets</b>		2,756,747	5,187,318	3,220,094
<b>Net assets</b>		<b>9,758,748</b>	<b>10,281,726</b>	<b>10,238,313</b>
<b>Capital and reserves</b>	10			
Called up share capital		1,102	1,106	1,102
Share premium account		–	10,455,491	–
Capital reserve – realised		(843,916)	(13,294)	(146,621)
Capital reserve – unrealised		10,104	(106,730)	(89,581)
Special distributable reserve		10,405,494	–	10,405,494
Revenue reserve		185,964	(54,847)	67,919
<b>Total equity shareholders' funds</b>		<b>9,758,748</b>	<b>10,281,726</b>	<b>10,238,313</b>
<b>Net asset value per share</b>				
Net asset value per 0.01p ordinary share	11	<b>88.51p</b>	<b>92.99p</b>	<b>92.86p</b>

# Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2008

	<b>Six months ended 30 June 2008 (unaudited) £</b>	<b>Period from 6 December 2006 to 30 June 2007 (unaudited) £</b>	<b>Period from 6 December 2006 to 31 December 2007 (audited) £</b>
Opening Shareholders' funds	10,238,313	–	–
Net share capital subscribed for in the period	–	10,456,597	10,406,596
Dividend paid	(55,125)	–	–
Loss for the period	(424,440)	(174,871)	(168,283)
Closing Shareholders' funds at 30 June 2008	9,758,748	10,281,726	10,238,313

# Unaudited Summarised Cash Flow Statement

for the six months ended 30 June 2008

	Notes	Six months ended 30 June 2008 (unaudited) £	Period from 6 December 2006 to 30 June 2007 (unaudited) £	Period from 6 December 2006 to 31 December 2007 (audited) £
<b>Operating activities</b>				
Income received		150,623	230	235,824
Management fees paid		(11,124)	(2,093)	(14,707)
Other cash payments		(148,377)	(23,048)	(85,758)
<b>Net cash outflow from operating activities</b>		(8,878)	(24,911)	135,359
Acquisitions of investments		(4,405,358)	(5,873,888)	(8,819,500)
Disposals of investments	9	4,009,237	666,625	1,618,663
<b>Net cash outflow from investing activities</b>		(396,121)	(5,207,263)	(7,200,837)
<b>Dividends</b>				
Equity Dividends paid		(55,125)	–	–
<b>Cash outflow before financing and liquid resource management</b>		(460,124)	(5,232,174)	(7,065,478)
<b>Financing</b>				
Share capital raised		–	8,341,219	8,406,218
Issue costs of ordinary shares		–	(599,622)	(599,622)
Net inflow from financing		–	7,741,597	7,806,596
<b>(Decrease)/increase in cash for the period</b>		(460,124)	2,509,423	741,118

# Reconciliation of net return/(loss) before taxation to net cash (outflow)/inflow from operating activities

for the six months ended 30 June 2008

	<b>Six months to 30 June 2008 (unaudited) £</b>	<b>Period from 6 December 2006 to 30 June 2007 (unaudited) £</b>	<b>Period from 6 December 2006 to 31 December 2007 (audited) £</b>
Net revenue/(loss) before taxation	190,227	(54,847)	67,919
Investment management fees charged to capital	(10,265)	( 7,169)	(53,584)
Increase in debtors	(120,146)	(60,251)	(55,525)
(Decrease)/increase in creditors	(68,694)	97,356	176,549
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(8,878)</b>	<b>(24,911)</b>	<b>135,359</b>

# Notes to the Unaudited Financial Statements

## 1. Principal 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 accounts have been prepared under the fair value rules of the Companies Act 1985, and in accordance with applicable accounting standards, consistent with the accounting policies set out in the audited statutory accounts for the year ended 31 December 2007 and, to the extent that it does not conflict with the Companies Act 1985 and UK accounting standards, the 2003 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies', revised December 2005.

The Half-Yearly Report has not been audited, nor has it been reviewed by the auditors pursuant to the Auditing Practices Board (APB)'s guidance on Review of Interim Financial Information.

### b) Presentation of the Income Statement

In order to better reflect the activities of a VCT and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the total column. The revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

### c) Investments

All investments held by the Company are classified as at "fair value through profit and loss". For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date.

Unquoted investments are valued by the Directors in accordance with the following rules, which are consistent with the International Private Equity Venture Capital Valuation (IPEVCV) guidelines published in 2005:

- (i) Investments which have been made in the last 12 months 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 valued at fair value, which unless another methodology gives a better indication of fair value, will be at cost.
- (iii) Where investments 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 to that company's historic, current or forecast earnings (the ratio used being based on a comparable listed company or sector but the resulting value being discounted to reflect lack of marketability). Where overriding factors apply, alternative methods of valuation will be used. These will 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 a company, this value will be used.
- (v) Where a company's underperformance against plan indicates a permanent diminution in the value of the investment, provision against cost is made and charged to the realised capital reserve.



#### **d) Transactions 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, along with other transaction costs, are charged 100% against capital.

75% of the investment management expense payable to Credit Suisse 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.

#### **e) 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. Fixed returns on non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course. Fixed returns on debt securities are recognised on a time-apportioned basis so as to reflect the effective yield. Provisions are made against such income receivable as soon as it is considered doubtful that such income will be received.

#### **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 Income Statement.

#### **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 periods in which the 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 – realised 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.

2. The revenue column of the Income Statement is the profit and loss account of the Company. There were no other gains and losses in the period ended 30 June 2008.
3. All revenue and capital items in the Income Statement derive from continuing operations.
4. Earnings for the six months to 30 June 2008 should not be taken as a guide to the results for the year ending 31 December 2008.
5. Included in debtors and prepayments is £2,600,000 of called up share capital unpaid as at 30 June 2008, in accordance with the arrangements set out in the prospectus.

## 6. Income

	<b>Six months ended 30 June 2008 (unaudited) £</b>	<b>Period from 6 December 2006 to 30 June 2007 (unaudited) £</b>	<b>Period from 6 December 2006 to 31 December 2007 (audited) £</b>
From:			
Dividends from listed investments	1,557	12,016	29,241
Dividends from unlisted investments	94,754	–	97,446
Interest from loan stock	106,920	–	48,424
Interest from fixed and variable securities	41,254	–	–
Bank interest	20,836	35,162	78,404
	265,321	47,178	253,515

## 7. Taxation

The effective tax rate is (0.9%) arising upon the negative total return. Although the tax charge has been reduced by non taxable income and tax losses brought forward, it has been increased by capital losses that do not attract tax relief. The net impact of these factors gives rise to a small charge to taxation, despite an overall negative total return for the period.

## 8. Earnings and return per share

	<b>Six months ended 30 June 2008 (unaudited) £</b>	<b>Period from 6 December 2006 to 30 June 2007 (unaudited) £</b>	<b>Period from 6 December 2006 to 31 December 2007 (audited) £</b>
i) Total earnings after taxation	(424,440)	(174,871)	(168,283)
<b>Basic earnings per share</b>	<b>(3.85)p</b>	<b>(1.59)p</b>	<b>(2.20)p</b>
ii) Net revenue from ordinary activities after taxation	173,170	(54,847)	67,919
<b>Revenue return per share</b>	<b>1.57p</b>	<b>(0.50)p</b>	<b>0.89p</b>
Net unrealised capital losses	(98,037)	(106,730)	(89,581)
Net realised capital losses	(502,557)	(6,125)	(93,037)
Net capital expenses	2,984	(7,169)	(53,584)
iii) Total capital return	(597,610)	(120,024)	(236,202)
<b>Capital return per share</b>	<b>(5.42)p</b>	<b>(1.09)p</b>	<b>(3.09)p</b>
iv) Weighted average number of shares in issue in the period	11,024,969	11,056,219	7,650,581

The basic earnings, revenue return and capital return per share shown above for each period are respectively based on numerators i)-iii), each divided by iv), the weighted average number of shares in issue in the period.

As there are no instruments that are potentially dilutive at 30 June 2008, no diluted earnings and return per share are disclosed.

## 9. Summary of investments during the period

	<b>Unlisted ordinary shares</b>	<b>Loan stock</b>	<b>Listed invest- ments</b>	<b>Fixed and variable securities</b>	<b>Funds and trusts</b>	<b>Total</b>
	£	£	£	£	£	£
Valuation at 1 January 2008	124,000	1,000,000	2,426,014	–	3,468,205	7,018,219
Purchases at cost	187,500	437,500	100,640	3,867,973	–	4,593,613
Sales – proceeds	–	–	(2,037,218)	–	(1,972,019)	(4,009,237)
– realised losses	–	–	(183,582)	–	(318,975)	(502,557)
Movement in unrealised gains/(losses)	1,000	–	(27,559)	(14,745)	(56,733)	(98,037)
<b>Valuation at 30 June 2008</b>	<b>312,500</b>	<b>1,437,500</b>	<b>278,295</b>	<b>3,853,228</b>	<b>1,120,478</b>	<b>7,002,001</b>
Book cost at 30 June 2008	487,500	1,137,500	367,955	3,867,974	1,130,969	6,991,898
Unrealised (losses)/gains at 30 June 2008	(175,000)	300,000	(89,660)	(14,746)	(10,491)	10,103
<b>Valuation at 30 June 2008</b>	<b>312,500</b>	<b>1,437,500</b>	<b>278,295</b>	<b>3,853,228</b>	<b>1,120,478</b>	<b>7,002,001</b>

## 10. Capital and reserves

	Called up ordinary share capital £	Realised capital reserve £	Unrealised capital reserve £	Special distributable reserve £	Revenue reserve £	Total £
At 1 January 2008	1,102	(146,621)	(89,581)	10,405,494	67,919	10,238,313
Unrealised movement in fair value	–	–	(98,037)	–	–	(98,037)
Realisation of previously unrealised movement in fair value	–	(197,722)	197,722	–	–	–
Capital losses	–	(502,557)	–	–	–	(502,557)
Transaction costs less tax charge	–	4,906	–	–	–	4,906
Costs of investment transactions	–	(1,922)	–	–	–	(1,922)
Equity dividends	–	–	–	–	(55,125)	(55,125)
Retained net revenue for the period	–	–	–	–	173,170	173,170
At 30 June 2008	1,102	(843,916)	10,104	10,405,494	185,964	9,758,748

## 11. Net asset value

	As at 30 June 2008 (unaudited) £	As at 30 June 2007 (unaudited) £	As at 31 December 2007 (audited) £
Net assets	9,758,748	10,281,726	10,238,313
Number of shares in issue	11,024,969	11,056,219	11,024,969
Net asset value per share	88.51p	92.99p	92.86p

## 12. Related party transactions

Stephen Edwards is a Member of the Manager, Core Capital LLP, which received a fee of £nil (30 June 2007: £nil, 31 December 2007: £35,959). Details of the carried interest arrangements between the Company and the Manager are set out in the Annual Report.

The manager received a fee of 5.5% of the gross proceeds of the Offer, equalling £nil (30 June 2007: £599,622, 31 December 2007: £599,622).

13. The financial information for the six months ended 30 June 2008 and the period ended 30 June 2007 has neither been audited nor reviewed. The information for the year ended 31 December 2007 does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985. The financial statements for the year ended 31 December 2007 have been filed with the Registrar of Companies. The auditors have reported on these financial statements and that report was unqualified and did not contain a statement under Section 237(2) of the Companies Act 1985. The accounting policies used by Core VCT V plc in preparing the Half-Yearly Report are consistent with those used in preparing the statutory accounts for the year ended 31 December 2007.

14. Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, One Bow Churchyard, London, EC4M 9HH.

## Shareholder enquiries:

For information on your holding, to notify the Company of a change of address or to request a dividend mandate form (should you wish to have future dividends paid directly into your bank account) please contact the Company's Registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL (telephone: 01252 821390) or should you prefer visit their website at [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com).

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

Stephen Edwards on 020 7317 0150 or by e-mail on [Stephen.Edwards@Core-Cap.com](mailto:Stephen.Edwards@Core-Cap.com)

Walid Fakhry on 020 7317 0145 or by e-mail on [Walid.Fakhry@Core-Cap.com](mailto:Walid.Fakhry@Core-Cap.com)

For other Shareholder enquiries, including the sale of shares, please contact the Company Secretary and Administrator, Aberdeen Asset Management plc, Sutherland House, 149 St Vincent Street, Glasgow G2 5NW (telephone 0845 300 2830) or alternatively visit their website [www.aberdeen-asset.com](http://www.aberdeen-asset.com), email: [vcts@aberdeen-asset.com](mailto:vcts@aberdeen-asset.com).

# Corporate Information

## Directors

Ray Maxwell (Chairman)  
Paul Richards  
Stephen Edwards

*All of whom are non-executive and of:*

One Bow Churchyard, London EC4M 9HH

## Secretary and administrator

Aberdeen Asset Management plc  
Sutherland House  
149 St Vincent Street  
Glasgow G2 5NW

## Investment Manager

Core Capital LLP  
103 Baker Street  
London W1U 6LN

## Auditors

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

## VCT Tax Adviser

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

## Stockbroker

Brewin Dolphin Securities Limited  
PO Box 512  
National House, 36 St Ann Street  
Manchester M60 2EP

## Receiving Agent

The City Partnership (UK) Ltd  
Box 41  
196 Rose Street  
Edinburgh EH2 4AT

## Solicitors

SJ Berwin  
10 Queen Street Place  
London EC4R 1BE

## Bankers

Bank of Scotland  
PO Box No. 39900 Level 7  
Bishopsgate Exchange  
155 Bishopsgate  
London EC2M 3YB

## Registrars

Share Registrars Limited  
Suite E  
First Floor  
9 Lion & Lamb Yard  
Farnham  
Surrey GU9 7LL

## Cash Assets Investment Manager

Credit Suisse  
Private Banking, London Branch  
17th Floor  
1 Cabot Square  
London E14 4QJ

Company No : 5957415

