CORE VCT I PLC

UNAUDITED INTERIM REPORT

for the six months ended 30 June 2006

Investment Objective

Core VCT I plc ("Core VCT I" or "the Company") is a tax efficient listed company which aims to achieve long-term capital and income growth, and to distribute tax free dividends of realised gains and investors' capital.

Investment Approach

- The Company invests management buyout and development capital, typically in established, private companies, which show:
    - Sufficient operating critical mass and an established economic model; and
    - Quality management teams with the key skills in place to deliver a well-defined business model
- The Company is managed by Core Growth Capital LLP ("Core Growth Capital" or "the Manager") who invest amounts generally in the range of £2 - £5 million across the three Core VCTs in companies valued at £5 - £25 million

Fund Structure

Core VCT I is structured as follows:

- **No annual management fees**

Only when Shareholders have received the first 60 pence of distributions, which together with an assumed 40 pence of initial tax relief will have realised them 100 pence per share, will the Manager be entitled to 30% of distributions from the Company.

- **Maximise distributions of income and capital**

Core VCT I has a policy to distribute all proceeds from realised investments. The Company has no fixed life, but intends to naturally liquidate and distribute its assets over time. The Manager's incentives are structured to align its interests in delivering this liquidity for Shareholders as well as maximising overall investment performance.

Performance Summary

Ordinary Shares	as at 30 June 2006	as at 30 June 2005
Net asset value per share	95.33 pence	94.40 pence
Net asset value total return in period	96.33 pence	94.40 pence
Share price (mid-market)	100.00 pence	100.00 pence
Earnings per share	0.86 pence	(0.12) pence
Dividends per share	1.00 pence	0.00 pence

B shares	as at 30 June 2006	as at 30 June 2005
Net asset value per share	1.00 pence	1.00 pence
Net asset value total return in period	1.00 pence	1.00 pence
Share price (mid-market)	4.50 pence	3.00 pence
Earnings per share	0.00 pence	0.00 pence
Dividends per share	0.00 pence	0.00 pence

Chairman's Statement

I am delighted to present my report on the Company for the six months ended 30 June 2006.

Results

The Net Asset Value (NAV) Total Return per Ordinary Share was 96.3p as at 30 June 2006, comprising a NAV per Ordinary Share of 95.3p and cumulative dividends paid of 1.0p per Ordinary Share. This is an increase over the initial NAV per Ordinary Share of 94.5p. A surplus of £94,220 was earned during the six month period.

Dividends

Core VCT I is structured to maximise distributions of both capital and income to Shareholders over the life of the Company. These will be derived primarily from investment realisations which are clearly some years away. In the meantime, the Company earns income from its managed cash assets, and over time should start to earn income from the unquoted investments made. This has produced a revenue return surplus of 1.20p per Ordinary Share. No interim dividend is proposed for the period. A final dividend, if any, would be payable after the end of the full financial year to 31 December 2006.

Investments

At 30 June 2006, the Company was approximately half way through the 3 year investment period permitted under current VCT legislation, and 28.8% of its total investments at that date were represented by VCT qualifying investments. This compares with the required target amount of over 70% which is to be achieved by 31 December 2007.

You will recall that the Manager delayed the investment programme of the Company so as to enable it to invest alongside two new VCTs then being promoted by the Manager. Core VCT II plc and Core VCT III plc, which closed in March 2006, successfully raised a total of £33 million. This investment approach now gives Core VCT I access to larger transactions more readily than if it were investing in isolation.

Accordingly, the investment pace of Core VCT I has increased, with three new investments completed in this six month period, in each case investing alongside Core VCT II plc and Core VCT III plc. The Manager's dealflow is strong, enabling the selection and negotiation of larger investments in accordance with the Company's overall investment objective.

Cancellation of share premium account

In accordance with the Company's prospectus, the Company has authority, obtained at an Extraordinary General Meeting held on 19 October 2004, to apply to the Court to cancel 50% of the amount standing to the credit of the share premium account. The Directors are proceeding with the application for cancellation and it is anticipated that Court approval will be obtained within the next few months.

The cancellation of the share premium account will create a special reserve that can be used, amongst other things, to fund buy-backs of the Company's Shares when the Directors consider that it is in the best interests of the Company to do so.

Outlook

The principal aim of the Company at this stage in its life is to complete private equity investments of the size, type and quality consistent with its stated objectives. The unique performance-only rewards for the Manager create the right incentives for Core Growth Capital to select and negotiate investments that are structured to deliver attractive cash returns to investors over the next 3 to 5 years.

Information for Shareholders

The Board supports open communication with investors and welcomes any comments or questions you may have. Company contact information is provided at the back of this Report.

Share Price

Both the Ordinary Shares (CR.) and the B Shares (CR.B) are fully listed shares. Prices are available on www.londonstockexchange.com and the Ordinary Share price is published daily in the Financial Times. Shareholders are reminded that disposing of shares within three years will result in loss of tax relief, and that their holding of B Shares forms an integral part of their investment along with their holding of Ordinary Shares.

Peter Smaill

Chairman

17 August 2006

Managers' Review

Core VCT I is 28.8% invested in qualifying VCT investments and on the basis of current commitments, dealflow and opportunities being reviewed by the Manager, it expects to meet the 70% requirement by 31 December 2007.

New Investments

The following three new investments have been completed in the six month period to 30 June 2006:-

Blanc Brasseries Holdings plc **Cost £1,000,000, April 2006**

Core Growth Capital completed this Management Buy Out ("MBO") with total funding of £10 million in April. It led, managed and arranged this transaction with the Core VCTs collectively investing £3 million, and raised a further £3 million in EIS funds from private investors and other smaller VCTs.

Blanc Brasseries currently operates five units in the premium casual dining market and is looking to grow to 20 units within 3 years. The restaurants are situated in prime locations in Birmingham, Cheltenham, Manchester, Oxford and Tunbridge Wells. The partners at Core Growth Capital have previously backed the management team in a number of successful leisure businesses, including Luminar Leisure and Loch Fyne Restaurants, which won the 2005 Best Exit Award at the EIS Association Awards.

Colway Limited **Cost £1,000,000, May 2006**
(trading as London Graphic Centre)

In their second MBO in as many months, Core Growth Capital led, managed and arranged this investment with total funding of £12 million. The Core VCTs collectively invested £3 million in a mix of ordinary shares and loan notes with an 8% per annum yield. The balance of the total funding was raised through an innovative senior and mezzanine debt structure.

London Graphic Centre is a long established office and graphic supplies business with turnover of over £15 million. The management team are well placed to grow the business organically, but also have the funding in place to grow by acquisition and to act as a consolidator of smaller suppliers in the industry.

Highpitch Limited **Cost £72,333, June 2006**

The Company invested this small amount in a mezzanine debt layer to fund the £7.5 million MBO of Highpitch. The Core VCTs' secured loan note ranks ahead of a significant equity investment by the management. It carries an effective yield of 12.5% per annum and is typical of the terms available in smaller mezzanine transactions not currently served by other debt or equity providers.

Highpitch comprises two businesses – MNet, a fast growing provider of Internet Protocol (IP) networks to mid sized UK companies, with turnover of circa £8 million, and MBS, a long established reseller of Canon photocopiers. Both companies provide services under long term contracts to a similar customer base.

Occasionally opportunities arise where a corporate transaction in an entity, representing a typical target business, has characteristics requiring, initially at any rate, only relatively small amounts of external finance. Core VCT I is able to adapt its position to such lower risk situations where the ratio of risk to reward suggests that participation could lead to a commercially attractive financial relationship.

Existing Portfolio

Ma Hubbards Limited **Cost £1,000,000, June 2005**

The business operates freehold pubs offering value for money food in the North Midlands. Since the date of investment, two new units have been contracted and although trading performance has been below expectations, the value of the freehold assets underpins this investment. The Company has a commitment to invest a further £500,000 which is expected to be drawn down in the next few months.

Additional Funds

In one of the most successful VCT fund raisings in the 2005/06 tax year, Core Growth Capital raised £33 million in two new parallel VCTs, Core VCT II plc and Core VCT III plc, giving the Manager combined funds under management of some £44 million. This enables Core Growth Capital to complete investments in the range of £2-5 million entirely from funds under its management so that it is able to take more significant stakes in larger companies without the need for syndication. These two VCTs have identical economic structures to that of Core VCT I with an identical board of directors, so that they will be invested effectively in parallel with the Company, facilitating the completion of investments in larger businesses in accordance with the companies' investment mandates.

The Manager does not plan to raise further 'equity' based funds until Core VCTs I, II and III are more substantially invested. It is, however, planning to raise a new VCT fund which will target substantial mezzanine debt opportunities, with a lower risk and return profile. Certain of these investments may potentially be alongside Core VCTs I, II and III and therefore complementary to the Core investment approach.

New Partners appointed at Core Growth Capital

As part of the expansion of the manager resource, aimed at securing additional skilled talent to aid the investment of the increased capital represented by the subscription monies raised by Core VCTs II and III, the Manager has announced the following appointments:-

Mark Storey

Mark is joining Core Growth Capital as a Partner. He has an impressive track record of investing in small to medium sized companies over a 20 year period. He was Managing Director of BancBoston Capital, investing £110 million in 29 companies and returning £221 million to date, with an IRR of 34% per annum. In addition, he has substantial experience of mezzanine transactions, and is a director of Mediterranean Mezzanine.

Ian Henderson-Londoño

Core Growth Capital has also secured the services of Ian Henderson-Londoño, who worked closely with Mark Storey at BancBoston Capital. He was most recently working with YFM Group, and has 9 years private equity and mezzanine experience.

Future Investments

Core Growth Capital is aiming to build a highly selective investment portfolio where its unique approach and focus on larger investments with the most able and ambitious management teams will add value and liquidity. Whilst the Manager rejects a high proportion of the deals offered, it is clearly differentiated from other VCT managers and is confident that attractive private equity investments will be made.

Investment Portfolio Summary
as at 30 June 2006

	Date of investment	Book cost £'000	Valuation £'000	% of net assets by value
Qualifying investments (unquoted)				
Blanc Brasseries Holdings plc	April 2006	1,000	1,000	9.5%
Premium casual dining brasseries				
Colway Limited				
(trading as London Graphic Centre)	May 2006	1,000	1,000	9.5%
Office and graphic supplies				
Ma Hubbards Limited	July 2005	1,000	1,000	9.5%
Managed freehold pubs				
Total qualifying investments		**3,000**	**3,000**	**28.5%**[1]
Non-qualifying investments				
Short-dated fixed-interest securities		6,259	6,233	59.3%
Money market funds[2]		1,044	1,044	10.0%
Highpitch Limited	June 2006	72	72	0.7%
Provider of internet services and photocopiers				
Total non-qualifying investments		**7,375**	**7,349**	**70.0%**
Total investments		10,375	10,349	98.5%
Other assets			259	2.5%
Current liabilities			(103)	(1.0%)
Net assets			10,505	100.0%

[1] Book value of total qualifying investments represents 29.0% of the total book value of investments. The VCT investment tests are measured broadly on original cost of investments, including cash balances, and this gives the figure of 28.8% quoted in the Chairman's Statement on page 4 and the Manager's Review on page 6 in relation to progress towards achieving a minimum of 70% of total investments invested in qualifying investments before 31 December 2007.

[2] Disclosed within Current Assets as Current investments in the Balance Sheet

Unaudited Income Statement
(incorporating the Revenue Account of the Company for the six months ended 30 June 2006)

		Six months ended 30 June 2006 (unaudited)			Period from 13 October 2004 to 30 June 2005 (unaudited)			Period from 13 October 2004 to 31 December 2005 (audited and restated)		
	Notes	**Revenue £**	**Capital £**	**Total £**	**Revenue £**	**Capital £**	**Total £**	**Revenue £**	**Capital £**	**Total £**
Realised gains on investments	9	-	1,250	1,250	-	-	-	-	-	-
Unrealised losses on investments	9	-	(25,387)	(25,387)	-	-	-	-	-	-
Costs of investment transactions		-	(2,198)	(2,198)	-	-	-	-	-	-
Income	6	245,184	-	245,184	80,641	-	80,641	310,337	-	310,337
Transactions costs	1 c)	-	(13,967)	(13,967)	-	-	-	-	(16,946)	(16,946)
Other expenses		(77,759)	-	(77,759)	(85,346)	-	(85,346)	(155,685)	-	(155,685)
Return on ordinary activities before taxation		167,425	(40,302)	127,123	(4,705)	-	(4,705)	154,652	(16,946)	137,706
Tax on ordinary activities		(35,716)	2,812	(32,904)	-	-	-	(29,384)	3,220	(26,164)
Return attributable to equity shareholders		131,709	(37,490)	94,219	(4,705)	-	(4,705)	125,268	(13,726)	111,542
Return per 1p Ordinary share	8	1.20p	(0.34)p	0.86p	(0.12)p	-	(0.12)p	1.98p	(0.22)p	1.76p
Dividends paid		£	£	£	£	£	£	£	£	£
Final dividend paid for period from 13 October 2004 to 31 December 2005 of 1p		109,446	-	109,446	-	-	-	-	-	-

Unaudited Balance Sheet as at 30 June 2006				
	Notes	**As at 30 June 2006 (unaudited) £**	**As at 30 June 2005 (unaudited) £**	**As at 31 December 2005 (audited and restated) £**
Fixed assets				
Investments	9	9,305,574	-	1,000,000
Monies held pending investment		-	1,000,000	-
		9,305,574	1,000,000	1,000,000
Current assets				
Debtors and prepayments		215,275	764,285	51,734
Current investments		1,044,055	-	-
Cash at bank		44,052	8,743,081	9,598,850
		1,303,382	9,507,366	9,650,584
Creditors: amounts falling due within one year		(102,973)	(102,404)	(129,374)
Net current assets		1,200,409	9,404,962	9,521,210
Net assets		**10,505,983**	**10,404,962**	**10,521,210**
Capital and reserves	10			
Called up Ordinary Share capital		109,446	109,446	109,446
Called up B Share capital		72,964	72,964	72,964
Share premium account		10,227,258	10,227,257	10,227,258
Capital reserve - realised		(25,829)	-	(13,726)
Capital reserve - unrealised		(25,387)	-	-
Revenue reserve		147,531	(4,705)	125,268
Total equity Shareholders' funds		**10,505,983**	**10,404,962**	**10,521,210**
Net asset value per share (attributable assets basis)				
Net asset value per 1p Ordinary Share	11	95.33p	94.40p	95.46p
Net asset value per 1p B Share	11	1.00 p	1.00p	1.00p

Unaudited Reconciliation of Movements in Shareholders' Funds for the six months ended 30 June 2006				
	Notes	**Six months ended 30 June 2006 £**	**Period from 13 October 2004 to 30 June 2005 £**	**Period from 13 October 2004 to 31 December 2005 (restated) £**
Opening Shareholders' funds before restatement		10,411,764	-	-
Restated for application of new accounting policies	7(a)	109,446	-	-
At 1 January 2006 (restated)		10,521,210	-	-
Net share capital subscribed for in the year		-	10,409,667	10,409,668
Profit/(loss) for the period		94,219	(4,705)	111,542
Dividends paid in period	10	(109,446)	-	-
Closing Shareholders' funds at 30 June 2006		10,505,983	10,404,962	10,521,210

Unaudited Summarised Cash Flow Statement
for the six months ended 30 June 2006

	Notes	Six months ended 30 June 2006 (unaudited) £	Period from 13 October 2004 to 30 June 2005 (unaudited) £	Period from 13 October 2004 to 31 December 2005 (audited) £
Operating activities				
Income received		215,046	80,641	262,339
Transaction costs paid		(23,578)	-	-
Other cash payments		(263,054)	(31,570)	(73,156)
Net cash (outflow)/inflow from operating activities		(71,586)	49,071	189,183
Equity dividends paid	10	(109,446)	-	-
Investing activities				
Acquisitions of investments	9	(12,856,572)	(1,000,000)	(1,000,000)
Disposals of investments	9	4,526,861	-	-
Net cash outflow from investing activities		(8,329,711)	(1,000,000)	(1,000,000)
Cash outflow before financing and liquid resource management		(8,510,743)	(950,929)	(810,817)
Financing				
Share Capital raised		-	10,244,571	10,999,295
Issue costs of ordinary shares		-	(550,561)	(589,628)
Net cash inflow from financing	-	9,694,010	10,409,667	
Management of liquid resources				
Increase in monies held pending investment		(1,044,055)	-	-
(Decrease)/increase in cash for the period		(9,554,798)	8,743,081	9,598,850

Notes to the Unaudited Interim 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:

   The accounts have been prepared under the fair value rules of the Companies Act 1985, and in accordance with applicable accounting standards and, to the extent that it does not conflict with the Companies Act 1985, the 2003 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies', revised December 2005.

   b) Investments
   Investments are stated at fair value, in accordance with the International Private Equity and Venture Capital Valuation (IPEVCV) guidelines published in 2005, which are similar to the BVCA (British Venture Capital Association) guidelines followed in previous years.

   The fair value of quoted investments is the bid value of those investments at the close of business on 30 June 2006. Unquoted investments are stated at fair value by the Directors in accordance with the following rules, which are consistent with the IPEVCV guidelines:

   (i) Recent 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 also 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 reserve.

   c) Transactions costs and investment management expense
   The Company is responsible for any external costs such as legal or accounting fees occurred 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 period 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 vesting period.

   Given the inherent uncertainties in projecting the investment performance of the Manager (which will ultimately determine the value of the B shares), the Board considers that the intrinsic value of these shares at the period end is £54,723, being 1p per share. This is the subscription price paid by the Manager, and as the Manager has paid this value in cash, there is no investment management expense in the current 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.

   d) Changes in Accounting Policies
   With effect from 1 January 2006, the Company has adopted the following Financial Reporting Standards (FRS):

   FRS 21 (Events after the Balance Sheet Date) - Dividends paid by the Company are accounted for when irrevocably payable. Previously, the Company accrued dividends in the period in which the net revenue, to which those dividends related, was accounted for.

   FRS 25 (Financial Instruments: Disclosure and Presentation) and FRS 26 (Financial Instruments: Measurement) - The Company has designated its investment assets as being measured at "fair value through profit and loss". The fair value of quoted investments is deemed to be the bid value of these investments at the close of business on the relevant date. FRS 26 requires that transactions costs associated with an investment transaction are now written off to the capital reserve as incurred.

   The corresponding amounts in these financial statements are restated in accordance with these new policies. Note 5 below provides further details of the change booked on the first day of the current year.

   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.

2. The total column of the Income Statement is the profit and loss account of the Company. There were no other gains and losses in the six months ended 30 June 2006, or the comparative periods.

3. All revenue and capital items in the above Income Statement derive from continuing operations.

4. Earnings for the six months ended 30 June 2006 should not be taken as a guide to the results for the year ending 31 December 2006.

5. Impact of the Introduction of FRS 21, FRS 25 and FRS 26

The financial information for the six months ended 30 June 2006 has been prepared in accordance with Financial Reporting Standards 21, 25 and 26. The introduction of these new standards has had the following impacts:

Valuation:

Quoted assets measured at fair value through the profit and loss held by the company are valued at bid price rather than mid-market as in prior periods. As at 30 June 2005 and 31 December 2005, no quoted assets were held.

Transaction costs:

The transaction costs incurred by the Company when purchasing or selling an asset are now written off to the capital column of the Income Statement in the period in which they are incurred. In the period to 30 June 2006, transaction costs of £2,198 have been incurred. The opening reserves as at 1 January 2006 for investment cost do not include any transaction costs.

Dividends:

Under the new standards, dividends are only recorded in the Financial Statements of the Company when they become irrevocably payable. Dividends paid are no longer shown in the Income Statement but are disclosed as part of the movements on reserves. Consequently, the final dividend proposed for the period ended 31 December 2005 has been added back to the opening reserves as at 1 January 2006 and is shown as a deduction in this period in the Reconciliation of Movements in Shareholders' Funds.

6. Income

	Six months ended 30 June 2006 £	Period from 13 October 2004 to 30 June 2005 £	Period from 13 October 2004 to 31 December 2005 £
From:			
Short dated securities	95,926	-	-
Overseas OEIC funds	13,441	-	-
Loan stocks	39,126	-	29,770
Bank interest	96,691	80,641	280,567
	245,184	80,641	310,337

7(a). Restatement of balances at 31 December 2005

At 1 January 2006. the Company adopted Financial Reporting Standards 21, 25 and 26.

No restatements were required for the period from 13 October 2004 to 30 June 2005.

The following is a reconciliation of the figures at 31 December 2005 previously reported under the applicable UK accounting standards and Statement of Recommended Practice.

	Previously reported as at 31 December 2005 £	Adjustments £	Restated as at 31 December 2005 £
Non-current assets	1,000,000		1,000,000
Current assets	9,650,584		9,650,584
Creditors: amounts falling due within one year	(238,820)	109,446	(129,374)
Net assets	10,411,764	109,446	10,521,210
Capital and reserves			
Called up share capital	109,446		109,446
Called up B share capital	72,964		72,964
Share premium account	10,227,258		10,227,258
Capital reserve - realised	(13,726)		(13,726)
Revenue reserves	15,822	109,446	125,268
Equity shareholders' funds	10,411,764	109,446	10,521,210
Net asset value per 1p Ordinary Share	94.47p		95.47p
Net asset value per 1p B Ordinary Share	1.00p		1.00p

Note to reconciliation

No provision has been made for the final dividend on Ordinary Shares of £109,446 for the period ended 31 December 2005. Under FRS 21 this is not recognised until it is declared and approved by the shareholders. This amount is therefore added back to revenue reserves and creditors.

7(b). Reconciliation of the Statement of Total Return as previously reported to the restated amount now shown for the period from 13 October 2004 to 31 December 2005

	£
As previously reported - transfer to reserves	2,096
Add back dividends paid and proposed	109,446
As restated - total return attributable to equity shareholders	111,542

8. **Earnings and return per share**

	Six months ended 30 June 2006 (unaudited) £	Period from 13 October 2004 to 30 June 2005 (unaudited) £	Period from 13 October 2004 to 31 December 2005 (audited and restated) £
i) Total earnings after taxation	94,219	(4,705)	111,542
Six months ended 30 June 2006			
Basic earnings per share	0.86	(0.12)	1.76
ii) Net revenue from ordinary activities after taxation	131,709	(4,705)	125,268
Revenue return per share	1.20	(0.12)	1.98
Net realised capital gains	1,250	-	-
Net unrealised capital losses	(25,387)	-	-
Capital income	-	-	-
Capital expenses	(13,353)	-	(13,726)
iii) Total capital return	(37,490)	-	(13,726)
Capital return per share	(0.34)	-	(0.22)
iv) Weighted average number of shares in issue in the period	10,944,556	3,768,706	6,320,824

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.

None of the returns to date are attributable to the B Shares.

9. **Summary of investments during the period**

	Fixed interest securities £	Ordinary Shares £	Qualifying loans £	Total £
Cost/valuation at 1 January 2006	-	450,000	550,000	1,000,000
Purchases at cost	10,784,239	1,372,333	700,000	12,856,572
Sales - proceeds	(4,526,861)	-	-	(4,526,861)
- realised gains	1,250	-	-	1,250
Increase in unrealised losses	(25,387)	-	-	(25,387)
Valuation at 30 June 2006	**6,233,241**	**1,822,333**	**1,250,000**	**9,305,574**
Book cost at 30 June 2006	6,258,628	1,822,333	1,250,000	9,330,961
Unrealised losses at 30 June 2006	(25,387)	-	-	(25,387)
Valuation at 30 June 2006	**6,233,241**	**1,822,333**	**1,250,000**	**9,305,574**

10. **Capital and reserves**

	Called up ordinary share capital £	Called up B share capital £	Share premium account £	Realised capital reserve £	Unrealised capital reserve £	Revenue reserve £	Total £
At 1 January 2006	109,446	72,964	10,227,258	(13,726)	-	125,268	10,521,210
Gain on disposal of investments	-	-	-	1,250	-	-	1,250
Increase in unrealised depreciation	-	-	-	-	(25,387)	-	(25,387)
Costs of investment transactions	-	-	-	(2,198)	-	-	(2,198)
Transaction costs less tax charge	-	-	-	(11,155)	-	-	(11,155)
Net revenue for the period	-	-	-	-	-	131,709	131,709
Dividends paid	-	-	-	-	-	(109,446)	(109,446)
At 30 June 2006	109,446	72,964	10,227,258	(25,829)	(25,387)	147,531	10,505,983

11. Net asset values

The net asset values per share, as disclosed on the Balance Sheet, are based on attributable assets at the date of the balance sheet and assume that no break-up of the Company will occur - "the attributed basis".The Board considers that the Articles basis reflects the attribution of assets between the two classes of share 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.

At this early stage in the Company's life, the Board considers that liquidation is unlikely, and that attributing to the B shares purely the capital contributed of 1 penny per share reflects the Board's best estimate at 30 June 2006 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 numbers of shares in issue at 30 June 2006, as follows:

Net asset values		
	As at 30 June 2006 £	
10,944,571 1p Ordinary Shares	109,446	
7,296,381 1p B Shares	72,964	
	182,410	
	Total attributable net assets £	**Net asset value (pence per share)**
1p Ordinary shares		
In accordance with the Articles	8,930,287	81.60 p
Additional entitlement to assets on the attributed basis	1,502,732	13.73 p
Attributable assets basis	**10,433,019**	**95.33 p**
1p B Shares		
In accordance with the Articles	1,575,696	21.60 p
Reduced entitlement to assets on the attributed basis	(1,502,732)	(20.60)p
Attributable assets basis	**72,964**	**1.00 p**

12. Commitments and guarantees
The Company has committed to invest a further £500,000 in Ma Hubbards Limited, in order to allow repayment by Ma Hubbards Limited of a loan previously made to the Company.

13. The financial information for the six months ended 30 June 2006 has neither been audited nor reviewed.

14. The information for the period from 13 October 2004 to 31 December 2005 does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985.The financial statements for the 13 October 2004 to 31 December 2005 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.

15. Copies of this statement are being sent to all shareholders. Further copies are available free of charge from the Company's registered office, One Jermyn Street, London, SW1Y 4UH.

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, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (Tel: 0870 162 3100) or, should you prefer, visit their website at www.capitaregistrars.com.

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

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