CORE

CORE VCT V PLC

Annual Report and Accounts
for the year ended 31 December 2008

Performance Summary

Ordinary Shares	31 December 2008	31 December 2007
Net asset value per share	85.46 pence	92.86 pence
Total return per share [1]	85.96 pence	92.86 pence
Share price (mid-market)	80.00 pence	100 pence
Earnings per share	(6.90) pence	(2.20) pence
Cumulative dividends paid and proposed per share[2]	7.00 pence	0.50 pence
Total expense ratio [3]	2.27%	2.34%

[1] Total return per share comprises closing net asset value per share plus cumulative dividends per share paid to date.
[2] Consists of a proposed final dividend of 6.5p (2007-0.5p) and dividends paid to date of 0.5p (2007-0p)
[3] Total expense ratio has been calculated using total operating costs divided by closing net assets.

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Investment Objective

Core VCT V plc ('Core VCT V' or 'the Company') 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 IV and Core VCT V 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.

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 85.96p as at 31 December 2008, comprising a NAV per Ordinary Share of 85.46p and cumulative dividends paid of 0.5p per Ordinary Share. This is a reduction from the NAV Total Return to 31 December 2007 of 7.4%, compared to a 29.9% reduction in the value of the FTSE All share index over the same period. A deficit of £761,382 was recorded during the year ended 31 December 2008.

The major cause of the reduction in Net Asset Value over the year ended 31 December 2008, and since inception, is the loss incurred on the financial instrument portfolio managed by Credit Suisse. Whilst market conditions have been challenging, this underperformance is the subject of ongoing discussions with Credit Suisse.

Dividends

Core VCT V is structured to produce an attractive yield to investors over the life of the Company, and this will be driven primarily by the unquoted investment portfolio. We are also working towards returning the proportion of the fund we do not intend to invest into unquoted private equity investments after 31 December 2009, approximating to 30p per share of the original capital raised.

We are recommending a capital dividend of 5p per share, and an income dividend of 1.5p per share, giving a total proposed dividend of 6.5p per share. This brings the cumulative dividends paid since inception to 7.0p per share, equivalent to a Net Annual yield of 5% of the net cost of subscription per share after income tax relief

Investments

The Manager has deliberately taken a cautious approach to completing new investments. This has preserved substantial liquidity in the fund, and leaves your fund well placed to benefit from completing new investments at a more attractive time in the economic cycle.

This does, however, mean that the unquoted portfolio is not yet large enough to produce the higher level of yield for the fund overall that we anticipate will be achievable once the fund is more fully invested.

The Manager's Review refers in more detail to the two investments which comprise the unquoted portfolio, with a total cost and valuation of £1.75 million. Both of these produce an attractive overall yield on the investment cost.

Share Price and Share buy backs

The Ordinary Shares are fully listed shares. Prices are available on www.londonstockexchange.com (CR5) and the Ordinary Share price is published daily in the Financial Times.

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 reflects the lack of liquidity in the secondary market. In addition, whilst Core VCT V does have the ability to buy back shares, we are not anticipating making any share buy backs for the foreseeable future so that we are best placed as a fund to maximise distributions made to all shareholders, as referred to above. Communications from a number of our shareholders have expressed their support for this approach. We would also 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.

Information for Shareholders

The Board supports open communication with investors and welcomes any comments or questions you may have, and full contact details are provided at the back of this Report.

Outlook

The current economic and investment outlook remains very uncertain, and 2009 is set to be a challenging year. Our investments cannot be immune from these economic pressures, although the active management that goes into the portfolio has prepared us as far as possible to withstand at least those pressures that we can reasonably foresee.

The majority of your fund is held in liquid assets, and accordingly is well placed to benefit from the investment opportunities that are likely to emerge at substantially more attractive pricing and structures than were available previously. Whilst the slower investment rate has delayed the initial returns to investors, it has preserved capital in the fund and left us well placed to take full advantage of the opportunities over the longer term.

Directors

It is the intention of Paul Richards to join the Managers, Core Capital LLP, as a partner in the near future. In order to ensure the majority of the Board remains independent of the Managers, Stephen Edwards will resign from the Board on 9 April 2009 and be replaced by Greg Aldridge. Greg brings a wealth of experience in industry and across a range of sectors in corporate finance and should prove to be a valuable addition to the Board. Further details of his experience can be found on page 7 of this report.

Ray Maxwell

Chairman

6 April 2009

Manager's Review

Investment Highlights

- Investment Portfolio comprises 2 investments with a cost and value of £1.75 million;
- The investments comprise of loan stocks totalling £1.225 million with annual interest rates ranging from 14.5% to 20% and £525,000 of equity, offering some equity upside potential;
- We have continued with our cautious approach to investing, in what has been a falling market; accordingly, no new investments were completed since 30 June 2008, and we have completed only one new investment in the full year. However, we expect that we will see some very attractive opportunities during 2009..

New Investments

As we have stated in our previous reports, we have taken a cautious approach in assessing new investment opportunities, and we completed only one new investment in 2008, in Camwatch, detailed below. This means we have some £7.7 million in available cash and cash equivalents to be invested alongside £7.2 million in Core VCT IV. Whilst there is no shortage of companies seeking funding, we have not yet seen quality businesses reflecting reduced valuations fully. We anticipate that this will change during 2009 and we will find opportunities that may be amongst the most attractive we have seen for several years.

Existing Investments

Whilst the existing investment portfolio is only two companies, we have nonetheless sought to prepare for the downturn that is now evident, by cutting costs early and actively managing the capital structure to ensure it is appropriate for the business. We invested a further £125k (alongside the same amount from Core VCT IV) into Camwatch in December to facilitate the company raising substantial additional senior debt facilities.

Each investment is described below:

Colway Limited

Cost £1,000,000
Valuation: £1,000,000

Colway is a long established office and graphic supplies business, with three principal divisions – Business, Systems, and Retail. Turnover has grown from £15.5m to approximately £20m and whilst turnover growth has slowed, it is still forecast to be maintained at the levels achieved last year. Having completed five acquisitions since the date of our investment, the latest one in February 2009, we anticipate completing further acquisitions during 2009.

The expected yield on this investment is 14.5% per annum, with a warrant over 2.9% fully diluted of the equity.

Camwatch Limited

Cost £750,000
Valuation: £750,000

Camwatch provides CCTV installation and remotes security monitoring services to a variety of businesses with a particular focus on the utilities, construction, and high net worth residential markets. We made an initial investment in March 2008, and a small further investment in December 2008 to facilitate the company raising £4.1 million additional senior debt facilities in order to finance the growth of the business.

The expected yield on this investment is 20% per annum, with a warrant over 3.225% of the equity.

Conclusion

The investments that we have made are performing acceptably within the current market. We are, however, looking forward to investing more rapidly as we see attractive opportunities over the coming 1 – 2 years. However, whilst this approach of a slower investment rate should produce the good returns that we are seeking, it does necessarily mean that there is a delay to our planned investment programme. This also underlines an obvious consequence of the downturn, in that we are not planning to seek exits for any of our investments for the foreseeable future. Our strategy is to hold, support and grow our investments through well structured and selective acquisitions in order to grow scale and lay the foundations for profit growth in the future.

Collectively, this means a delay to the realisation of returns and the distributions of proceeds to our shareholders. However, we believe this approach will ultimately produce the returns we are working to achieve.

Investment Portfolio Summary
as at 31 December 2008

	Date of initial investment	Book cost £'000	Valuation £'000	% of equity held	% of net assets by value
Qualifying Investments (unquoted)					
Colway Limited (trading as London Graphic Centre) Office and graphics supplies	Aug 2007	1,000	1,000	3.8%	10.6%
Camwatch Limited CCTV monitoring and installation	Mar 2008	750	750	3.2%	8.1%
Total qualifying investments		1,750	1,750		18.7%
Non-qualifying investments					
Funds and Trusts		4,283	3,961		42.0%
Total non-qualifying investments		4,283	3,961		42.0%
Total investments		6,033	5,711		60.7%
Other assets			3,840		40.8%
Current liabilities			(129)		(1.5)%
Net assets			9,422		100.0%

Book value of total qualifying investments represents 29% of the total book value of investments. The VCT investment tests are measured broadly on original cost of investments, including cash balances.

10 Largest investments

	Book cost £'000	Valuation £'000	% of net assets by value
Treasury Stock 4% 2009	1,428	1,439	15.3%
Colway Limited (trading as London Graphic Centre)	1,000	1,000	10.6%
City Financial Investment Funds Strategic Gilt	834	941	10.0%
Camwatch Limited	750	750	8.1%
Network Rail Limited 4.875%	205	206	2.2%
British Sky Broadcasting Group Plc 7.75%	202	204	2.2%
Rexam Plc 7.125%	200	201	2.1%
GE Capital UK Funding	203	200	2.1%
BMW Finance NV 5%	198	199	2.1%
BOC Group 5.875%	199	194	2.0%
Total of 10 largest investments	5,219	5,334	56.7%

Board of Directors

Ray Maxwell

Status: Independent, non-executive Chairman

Age: 58

Date of appointment: 6 December 2006

Ray is a Venture Partner of Invesco Private Capital and has nearly three decades of investment experience and specialises in the selection of international private equity partnership funds. Ray serves on several Private Equity fund advisory boards and is on the Board of London Business School's Private Equity Institute. Ray was also appointed Chairman of Core VCT IV plc on 6 December 2006.

Paul Richards

Status: Independent, non-executive Director

Age: 46

Date of appointment: 6 December 2006

Paul was formerly head of Investment Companies at institutional stockbrokers Fairfax IS plc and Head of the Investment Trust Corporate Finance at Collins Stewart. He has considerable experience in advising investment trust and closed end funds and in particular has advised a number of private equity funds. Paul is also a director of Core VCT IV plc. Paul will be joining Core Capital LLP as a partner in April 2009.

Stephen Edwards

Status: Non-executive Director

Age: 45

Date of Appointment: 7 November 2007

Stephen is a partner in Core Capital LLP, a specialist investor in smaller-middle market companies in the UK, and the investment manager for Core VCT IV plc and Core VCT V plc. He has over 19 years' experience in private equity and corporate finance, having worked with Grosvenor, Mercury Asset Management and ProVen Private Equity prior to co-founding Core Capital in 2004. Stephen is also a director of Core VCT IV plc. As explained in the Chairmans Statement Stephen will resign from the Board in April 2009.

Greg Aldridge

Status: Independent, non-executive Director

Age: 45

Date of Appointment: To be appointed as a Director with effect from 9 April 2009

Greg is Corporate Development Director of Interior Services Group plc, the £1bn turnover Aim listed international construction services group. Prior to joining ISG in January 2008 he was a Managing Director in corporate finance at Bridgewell, the investment bank. He was a founder director of Bridgewell and prior to that a corporate finance director of Singer & Friedlander Limited.

Directors' Report

The Directors present the second Annual Report and Accounts of the Company for the year ended 31 December 2008.

Business and principal activities

The principal activity of the Company during the year under review was investment in a diverse selection of established unquoted companies in the United Kingdom. Details of the principal investments made by the Company are given in the Investment Portfolio Summary on page 6 of this Report. A review of the Company's business during the year is contained in the Chairman's Statement and Manager's Review.

The Ordinary Shares of 0.01p each in the capital of the Company were first admitted to the Official List of the UK Listing Authority (UKLA) and began trading on 24 April 2007.

The Company intends to revoke investment company status in order to effect the payment of capital dividends. However the Company has satisfied the requirements for provisional approval as a Venture Capital Trust under section 274 of the Income Tax Act 2007 (ITA). It is the Directors' intention to continue to manage the Company's affairs in such a manner as to comply with section 274 of the ITA.

Future developments

The Company will continue to pursue its investment objective as set out at the beginning of this Report, in line with its Investment Policy.

Business review and performance review

For a review of the Company's development and performance during the year, please see the Chairman's Statement on page 4 and the Manager's Review on page 5. The Performance Summary on page 1 provides data on the Company's key performance indicators.

The Board reviews performance by reference to a number of measures, taking account of the long term nature of the assets in which the Company invests.

Total Return

The Total Return (Net Asset Value plus cumulative distributions) is the key measure of performance for the Company. The two principal components of this measure are:–

- **Net Asset Value (NAV)**
  Net Asset Value is calculated monthly, with a full valuation of the Unquoted investments carried out every six months in accordance with the International Private Equity Venture Capital Valuation guidelines.
- **Cumulative distributions**
  Cumulative distributions are since inception distributions of both income and capital. The Company has no fixed life, but intends to naturally liquidate and distribute all its assets over time. In particular, the Company has a policy to distribute all proceeds from realised investments (the original capital invested plus realised profits less losses), as well as income after expenses. In addition, the Company intends to return cash assets after the initial three year investment period.

Share price

The Board monitors the share price of the Ordinary Shares through the Manager.

Total Expense Ratio

The expenses of managing the Company, known as the Total Expense Ratio (TER), are reviewed by the Board at board meetings. Because the Company has no management fee payable to Core Capital, the Company is expected to have one of the lowest fixed costs of any VCT of comparable size.

Principal risks and uncertainties

For details on the principal risks and uncertainties of the Company, please see Note 18 to the Account on pages 30 – 33.

Issue of shares

On incorporation the authorised share capital of the Company was £53,000 comprising 53,000 Ordinary Shares of £1.00 each (of which two were issued, fully paid at a subscription price of £1.00 each to the subscribers of the Memorandum of Association).

At an Extraordinary General Meeting held on 6 December 2006 50,000 unissued Ordinary Shares were redesignated into 50,000 non-voting Redeemable Preference Shares of £1 each, and each of the two issued shares and remaining 2,998 unissued Ordinary Shares of £1 each in the Company were subdivided into 30,000,000 Ordinary Shares of 0.01 pence each.

On 6 December 2006, so as to enable the Company to obtain a certificate under section 117 of the Companies Act 1985, Core Capital LLP was allotted 50,000 Redeemable Preference Shares of £1 each at par for cash, paid up to one quarter of their nominal value. The Redeemable Preference Shares were paid up in full on 5 April 2007, and redeemed by the Company out of the proceeds of the Offer for Subscription launched on 11 December 2006. Each of the Redeemable Preference Shares were re-designated as 10,000 Ordinary Shares of 0.01 pence each pursuant to the Articles of Association, creating 500,000,000 Ordinary Shares of 0.01 pence each.

Of the 530,000,000 authorised Ordinary Shares of 0.01 pence each, a total of 11,056,219 were issued between 11 December 2006 and 5 April 2007 at a price of £1 per share raising a total of £11,065,969 (before costs). Of these 11,056,219 issued shares, 1,056,219 were issued pursuant to the over-allotment facility under the Offer.

The Company has not issued any new Ordinary Shares since the close of the Offer on 5 April 2007 nor has it bought back any shares during the period under review.

On 10 December 2007 51,250 Ordinary Shares of 0.01 pence each were forfeited by the Company, in accordance with the Company's Articles of Association, due to non-payment of the purchase price. These shares were subsequently cancelled by the Company.

As at 31 December 2008 the issued Ordinary Share capital of the Company was £1,102. The number of shares in issue as at 31 December 2008 was 11,024,969 Ordinary Shares.

The Company's application to the High Court to reduce the Share Premium account of the Company was approved by an Order of the Court on 19 December 2007 and registered at Companies House on 21 December 2007. The cancellation of the share premium account has created 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.

Results

	Year ended 31 December 2008 £	Period ended 31 December 2007 £
Capital return transferred to reserves	(967,776)	(236,202)
Revenue return after taxation for the period	206,394	67,919
Total return attributable to shareholders for the period	(761,382)	(168,283)

Dividend

The Directors will be recommending a final dividend of 6.5 pence per share to Shareholders at the Annual General Meeting to be held on 6 May 2009 which will be payable on 21 May 2009 to Shareholders who are on the Register on 24 April 2009.

Directors and their interests

The names of the Directors appear below and brief biographical details on each of the Directors are given on page 7 of this Annual Report. Walid Fakhry was appointed a director and Stephen Edwards was appointed director and secretary on 5 October 2006 and each resigned from their respective positions on 6 December 2006. The two initial subscribers transferred their one ordinary share of £1 each to each of Walid Fakhry and Stephen Edwards on 6 December 2006 and these were subsequently subdivided as described in the Issue of shares section above. Ray Maxwell, Hylton Murray-Philipson and Paul Richards were all appointed to the Board on 6 December 2006 and subsequently re-elected at the AGM held on 7 November 2007. Hylton Murray-Philipson resigned from the Board on 7 November 2007 and Stephen Edwards was appointed to the Board on this date. Stephen Edwards subsequently resigned from the Board in April 2009. In accordance with the Company's Articles of Association and the AIC Code of Corporate Governance ("the AIC Code"), Paul Richards will retire by rotation and being eligible offer himself for re-election, at the Annual General Meeting ("AGM") of the Company to be held on 6 May 2009. In accordance with the Articles Greg Aldridge will offer himself for election at the AGM being the first AGM since his appointment.

The Directors' interests in the issued capital of the Company as at 31 December 2008 were:

	Ordinary Shares held on 31 December 2008	Ordinary Shares held on 31 December 2007
Ray Maxwell	5,275	5,275
Paul Richards	5,275	5,275
Stephen Edwards	10,000	10,000

There have been no further changes in the holdings of the Directors since 31 December 2008. No options over the share capital of the Company have been granted to the Directors. No Director has a service contract with the Company. The Company does not have any employees.

Management

Core Capital LLP was appointed Manager to the Company on 7 December 2006. The Management Agreement is for an initial period of five years and thereafter until their appointment is terminated by not less than one year's notice in writing to expire at any time after the initial period. The Manager receives no annual fee but instead is entitled to a performance incentive in the form of a profits share, whereby the Manager is entitled to receive 30% of the investment profits. For further information please see note 3 to the accounts on page 25. The Directors regularly review the performance of the Manager and carry out an annual evaluation. They believe that the continuing appointment of the Manager on the terms agreed is in the interests of the Shareholders as a whole. For further details of the review please see the Corporate Governance Report on page 16.

Aberdeen Asset Management PLC acts as both Administrator and Company Secretary to the Company under an Agreement dated 23 May 2008. The appointment is for an initial period of three years and thereafter may be terminated by not less than six month's notice in writing to expire after the initial period. A fee of £11,408 was paid in respect of the period covered by this report. There are no compensation provisions on termination of this agreement.

Directors' Report

VCT status monitoring

The Company appointed PricewaterhouseCoopers LLP (PWC) to advise on its compliance with the legislative requirements relating to VCTs. PWC review new investment opportunities as appropriate and carry out regular reviews of the Company's investment portfolio.

Auditors

Ernst & Young LLP were reappointed as Auditors of the Company at the Annual General Meeting held on 30 April 2008 and resolutions to re-appoint Ernst & Young LLP and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

Auditors' right to information

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. They have individually taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Financial instruments

The main risks arising from the Company's financial instruments are due to fluctuations in the market price and interest rates, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing these risks and full details can be found in note 18 on pages 30 – 33.

Substantial interests

As at 6 April 2009 the Company had not been notified of any beneficial interest exceeding 3% of the issued share capital.

Creditors' payment policy

The Company's creditor policy is to agree terms of payment before business is transacted, to ensure suppliers are aware of these terms and to settle bills in accordance with them. The Company did not have any material trade creditors at the year end.

Annual General Meeting

A notice and proxy form for the Annual General Meeting of the Company to be held at 9.45 am on 6 May 2009 at the offices of Core Capital LLP, 103 Baker Street, London, W1U 6LN are set out on pages 36 – 42 of this Annual Report.

The notice of the meeting includes resolutions to re-appoint Paul Richards and appoint Greg Aldridge as Directors of the Company and brief biographical details can be found on page 7 of this Annual Report. The Board supports the re-election and election of both directors and believes that both bring valuable skill, experience and expertise to the Company.

In addition to the ordinary business, the following resolutions will be considered at the Annual General Meeting:

Authorities for the Directors to allot shares (Resolution 8) and the disapplication of pre-emption rights (Resolution 9) under sections 80 and 95 of the Companies Act 1985 ("the Act")

These two resolutions grant the Directors the authority to allot shares for cash to a limited and defined extent otherwise than pro rata to existing shareholders in accordance with section 89 of the Act. Resolution 8 will enable the Directors to allot up to an aggregate nominal amount not exceeding £276, representing approximately 25% of the issued share capital. This resolution is proposed as an ordinary resolution and will require the approval of more than 50% of the votes cast at the meeting. This authority, unless previously renewed or revoked, will expire on the fifth anniversary of the date of the passing of this resolution.

Under section 89 of the Act, if the Directors wish to allot any of the unissued share capital for cash they must first offer such shares to existing shareholders in proportion to their current holdings. Resolution 9 will enable this requirement to be disapplied in the specific circumstances named in the Resolution. These are in relation to a rights issue, to fund a purchase of shares and also pursuant to any future 5 per cent. "top-up" offer. This resolution is proposed as a special resolution and will require the approval of at least 75% of the votes cast at the meeting.

This authority, unless previously renewed or revoked, will expire on the earlier of the Annual General Meeting of the Company to be held in 2010 and the date which is fifteen months after the date on which the resolution is passed except that the Directors may allot securities after this date in pursuance of offers or agreements made prior to the expiration of the authority.

Both resolutions generally renew previous authorities approved on 30 April 2008 respectively. The Directors have no immediate intention of exercising these powers.

Authority to purchase the Company's own shares (Resolution 10)

This resolution authorises the Company to purchase its own shares pursuant to section 166 of the Companies Act 1985. The authority is limited to a maximum number of 1,652,643 ordinary shares equal to approximately 14.99% of the issued share capital at the date of the resolution and will expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2010 and the date which is fifteen months after the date on which this resolution is passed. The maximum price (exclusive of expenses) which may be paid for an ordinary share will be the amount equal to 105% of the average of the middle market quotations for the Company's Shares of that class as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the purchase. The minimum price which may be paid is 0.01 pence per share, i.e. the nominal value of the shares.

As a consequence of the tax relief available to investors who purchase new VCT shares, market liquidity is restricted. The additional new reserve created by the cancellation of the share premium account may be used to off-set the effects of any future unrealised losses on the ability of the Company to pay future dividends in respect of the Ordinary Shares. In addition, the reserve created by the cancellation may also be used, to a limited extent, to purchase Ordinary Shares in the market. Such purchases may help to limit the discount at which the shares may trade to their underlying net asset value.

Shareholders should note that the Directors will not exercise this authority unless to do so would result in an increase in net assets per share and would be in the interests of Shareholders generally. This resolution is proposed as a special resolution and will require the approval of at least 75% of the votes cast at the meeting.

Articles of Association (Resolution 11)

The law in relation to companies is currently undergoing a number of changes following the introduction of new companies legislation in the United Kingdom under the Companies Act 2006 (2006 Act). The changes are being implemented in stages, with some parts already in force and the final parts due to be implemented in October 2009. Some of the changes will apply automatically to the Company, whilst others will require the Company to take specific steps to take advantage of, or exclude, as the case may be, the effect of the changes. In order to accommodate all the proposed changes to the Company's existing Articles of Association (Existing Articles) to reflect those provisions of the 2006 Act which are currently in force, your Board is proposing that new Articles of Association (New Articles) are adopted at this year's Annual General Meeting. Accordingly, Resolution 11 is a special resolution relating to the adoption of the New Articles. Shareholders should note that since it is expected that the 2006 Act will not be fully in force until October 2009 at the earliest, there may be further changes to be made to the New Articles at the Company's next Annual General Meeting to ensure full compliance with the 2006 Act. The principal changes proposed to be made to the Existing Articles at the Company's Annual General Meeting are detailed in the Appendix at the back of this Annual Report.

The proposed New Articles are available for inspection at the Company's registered office from the date of this Annual Report until the close of the Annual General Meeting.

By order of the Board

For Aberdeen Asset Management PLC
Company Secretary
6 April 2009

Directors' Remuneration Report

This Report has been prepared by the Directors in accordance with the requirements of Schedule 7A of the Companies Act 1985. A resolution to approve the Report will be proposed at the Annual General Meeting to be held on 6 May 2009. The Company's auditors are required to give their opinion on the specified information provided on Directors' emoluments and this is explained further in their report to Shareholders on page 19. The figures that are audited are detailed as such.

Remuneration policy

The remuneration policy and the remuneration of individual Directors is determined by the Board as a whole of which Ray Maxwell and Paul Richards are independent of the Manager. When considering the level of Directors' fees, the Board takes account of remuneration levels elsewhere in the Venture Capital Trust industry and other relevant information. It considers the levels and make-up of remuneration which are sufficient to attract, retain and motivate directors of the quality required to run the Company successfully and reflect the time commitment and responsibilities of the roles. The Board has access to independent advice where it considers it appropriate. However, no such advice was taken during the period under review.

It is not considered appropriate at the current time to relate any portion of the fees paid to the Directors, who are all non-executive, to performance. The Manager, of which Stephen Edwards is a member, is entitled to a performance incentive in the form of a profit share, whereby the Manager is entitled to receive 30% of the investment profits once the total return of the Company is in excess of the opening net asset value of 94.5 pence per share and the total return of an underlying investment exceeds the original cost of that investment. For further details please see note 3 to the Accounts on page 25.

The Directors do not have any plans to introduce any further incentive schemes at the present time and will seek Shareholder approval for any such schemes should they be proposed in the future.

The Company's Articles of Association limit the total amount that can be paid to the Directors in fees to £100,000 per annum. It is intended that this policy will continue for the year ending 31 December 2009 and subsequent years.

Details of the Directors' remuneration are disclosed below and in the Notes to the Accounts.

Terms of appointment

The Articles of Association provide that Directors may be appointed either by an ordinary resolution of the Company or by the Board provided that a person appointed by the Board shall be subject to re-election at the first Annual General Meeting following their appointment. Subject to the provisions of the Companies Act 1985, one third of the Directors (or if the number is not a multiple of three, the number nearest to one-third), shall retire from office by rotation at each AGM and the Director(s) retiring by rotation shall be the Director(s) who has been longest in office since their last election. Directors retiring by rotation are then eligible for re-election.

All of the Directors are non-executive and none of the Directors has a service contract with the Company. All Directors receive a formal letter of appointment setting out the terms of their appointment, the powers and duties of Directors and the fees pertaining to the appointment. A Director's appointment may be terminated on three months' notice being given by the Company and in certain other circumstances. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office. None of the Directors receive pension benefits from the Company and the Company has not granted any Director any options over the share capital of the Company.

Directors' emoluments

The total emoluments in respect of qualifying services of each person who served as a Director during the year are as set out in the table below (audited).

	Year to 31 December 2008	Period to 31December 2007 £
Ray Maxwell	7,500	8,016
Hylton Murray-Philipson	–	5,540
PaulRichards	6,000	6,415
Stephen Edwards	waived	waived
	13,500	**19,971**

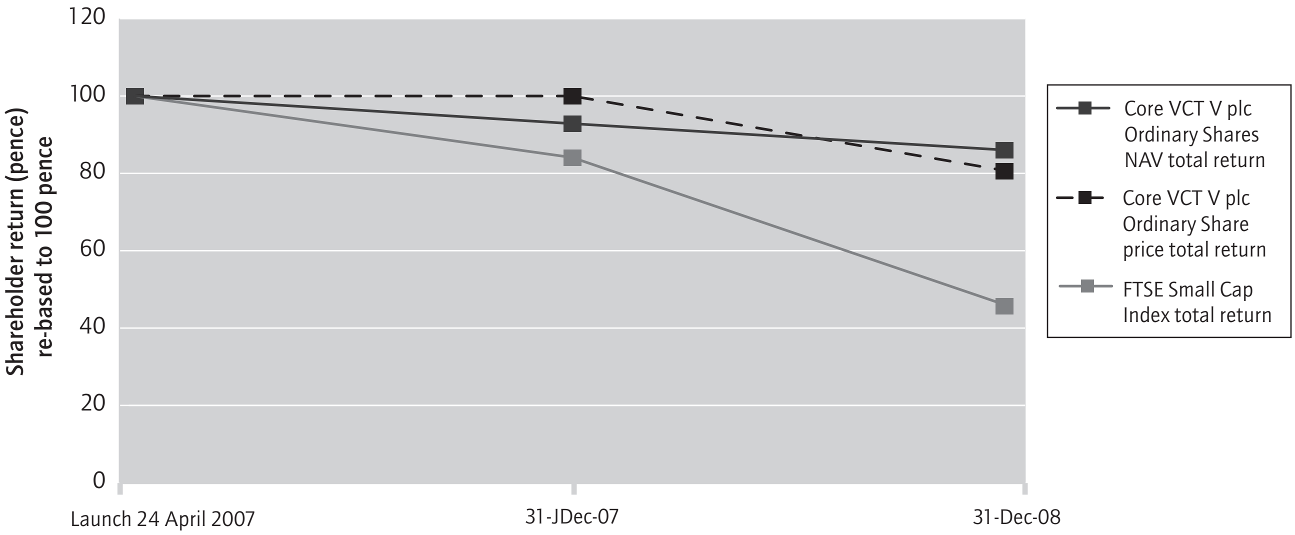
The Company does not have any schemes in place to pay any of the Directors bonuses or benefits in addition to their Directors' fees.

The Directors received no further emoluments in respect of their services. As a member of the Investment Manager, Stephen Edwards waived his director's fee. Aggregate fees in respect of qualifying services for all Directors for the year ended 31 December 2008 amounted to £13,500.

Total shareholder return

The graph below charts the total cumulative shareholder return of the Ordinary Shares since the shares were first admitted to the Official List of the UK Listing Authority on 24 April 2007 compared to the total cumulative shareholder return of the FTSE SmallCap Index. This index represents a broad equity market index against which investors can measure the performance of the Company and is considered an appropriate index against which to measure the Company's performance. The total shareholder return has been re-based to 100 pence which is equivalent to the opening share price of the Company. The principal activity of the Company during this first period since incorporation has been to raise initial funds. An explanation of the performance of the Company is given in the Chairman's Statement and the Manager's Review. The total return per share has been shown separately on the graph because the Directors believe that it represents a more accurate reflection of the Company's performance.

Total cumulative shareholder return of the Ordinary Share Fund since the Ordinary Shares were first admitted to the Official List of the UK Listing Authoriy compared to the total return of the FTSE Small Cap Index



By order of the Board

Aberdeen Asset Management PLC
Company Secretary
6 April 2009

Corporate Governance Statement

The Directors of Core VCT V plc have adopted the Association of Investment Companies Code of Corporate Governance ("AIC Code") for the year ended 31 December 2008. The AIC Code addresses all principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Financial Reporting Council (FRC) has confirmed that in complying with the AIC Code the Company will meet its obligations in relation to the Combined Code and paragraph 9.8.6 of the Listing Rules.

The Company believes that reporting against the principles of the AIC Code will provide more relevant information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code except where noted below. There are certain areas of the Combined Code that the AIC do not consider relevant to investment companies, and with which the Company does not specifically comply, for which the AIC Code provides dispensation. These areas are as follows:

- The role of the chief executive
- Executive directors' remuneration
- The need for an internal audit function

As an externally managed investment company, the Company does not employ a chief executive, nor any executive directors. The systems and procedures of the Manager and the Administrator, the provision of VCT monitoring services by PricewaterhouseCoopers LLP, as well as the size of the Company's operations, gives the Board full confidence that an internal audit function is not necessary. The Company is therefore not reporting further in respect of these areas.

The Board

The Board comprises three non-executive Directors. Each brings a range of relevant expertise, experience and judgement to the Board. The Company has appointed Paul Richards as Senior Independent Director and he is available as an alternative channel of communication should communication with the Chairman not be appropriate. The Directors believe that this structure is the most appropriate for the Company given its current size and the nature of its business.

The Chairman's other significant time commitments are disclosed on page 7.

All the Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all the Company's Shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

At least four formal Board meetings are scheduled every year and other meetings are held as necessary. There is a schedule of matters specifically reserved for decision by the Board. These include compliance with the requirements of the Companies Act, the UK Listing Authority and the London Stock Exchange; changes relating to the Company's capital structure or its status as a plc. The primary focus at each quarterly Board meeting is overall strategy and a review of investment performance, including but not limited to, asset allocation, investor relations, peer group information and issues affecting the investment industry as a whole. The Board, through the Manager, regularly monitors the level of the share price discount and, if necessary, takes action to reduce it.

Given the size and structure of the Company and the Board, the Board does not believe it is necessary to appoint an Audit Committee or a Nominations and Remuneration Committee. The roles and responsibilities of these Committees have been included in the schedule of matters specifically reserved for decision by the Board following the recommendations of the Combined Code where these are considered to be appropriate to the Company. The Board allocates separate sections of the Agendas for Board meetings for 'Audit matters', 'Nomination matters' and 'Remuneration matters'. Under 'Audit matters' the Board reviews the internal financial and non-financial controls, accounting policies and the contents of the Interim and Annual Reports to Shareholders and has full responsibility for the appointment and removal of the external auditors. The Company's external auditors are invited to attend meetings as appropriate.

The Chairman and Board are involved at an early stage in the process of structuring the launch of any Offers that may be agreed by the Board.

In the period under review the Board held seven formal meetings. The attendance of the Directors is summarised in the table below:

Director	Attendance (attended/no. of meetings)
Ray Maxwell	6/7
Paul Richards	7/7
Stephen Edwards	7/7

A procedure has been adopted for individual Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. The Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring board procedures are followed. Both the appointment and removal of the Company Secretary are matters for the Board as a whole. Where Directors have concerns, which cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in the Board minutes. On resignation, a Director who has any such concerns should provide a written statement to the Chairman, for circulation to the Board. The Board has satisfied itself that it has sufficient resources to undertake its duties.

All of the Directors are subject to re-election by Shareholders at the first Annual General Meeting following their appointment and, subject to the provisions of the Companies Act 1985, one-third of the Directors shall retire from office by rotation at each AGM and this Director shall be the Director who has been longest in office since their last election. Notwithstanding the above provision, each Director is required to submit himself for re-election in any period of three consecutive Annual General Meetings. Paul Richards and Greg Aldridge being eligible, offer themselves for re-election/election at the Annual General Meeting of the Company to be held on 6 May 2009.

	Date of appointment	Last re-election	Next retirement by rotation/re-election due
Ray Maxwell	6-Dec-2006	AGM 30-Apr-08	AGM 2010
Paul Richards	6-Dec-2006	AGM 7-Nov-07	AGM 6-May-2009
Greg Aldridge	9 April-2009	–	AGM 6-May-2009

In terms of overall length of tenure, the AIC Code does not explicitly make recommendations. Some market practitioners feel that considerable length of service (which has generally been defined as a limit of 9 years) may lead to the compromise of a director's independence. While the Company has not been in existence long enough for the Board to consider that this is an issue (having commenced trading in 2006), the overall matter of directors' independence is taken extremely seriously, as discussed below. If the matter becomes relevant in future years, the Board will consider length of tenure of directors at the appropriate time.

The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement and has concluded that all of the Directors, with the exception of Stephen Edwards, were independent of the Manager in the year. All the Directors have been appointed to the board of Core VCT IV plc, which is also managed by the Manager. The AIC Code recommends that directors who sit on the boards of more than one company managed by the same Manager should not be regarded as independent. The Board believes that their appointments to the Boards of Core VCT IV plc and Core VCT V plc do not unduly affect their independence from the Manager due to the parallel investments which both VCTs intend to make. The Board believes that this shared interest enables the Board to review and monitor the Manager rigorously. Independence provisions under Chapter 15 of the UKLA Listing Rules in relation to directors' appointments to companies managed by the same Manager are currently subject to transitional arrangements. The Board intends to keep this matter under review and will report on this in future years. For further details please see Note 21 of the Notes to the Accounts on page 34 on related party transactions. The Board places great emphasis on the requirement for the Directors to disclose their interests in investments (and potential investments) and has instigated a procedure whereby a Director declaring such an interest does not participate in any decisions relating to such investments.

The Board aims to include a balance of skills, experience and length of service that the Directors believe to be appropriate to the management of the Company. The Board reviews all candidates for new appointments and candidates are selected based on the skills and experience that the Board believes will fill any gaps that the Board may have. The Board offers an induction procedure to all new directors and all directors may choose relevant training as and when required. The performance of the Board and the Chairman is reviewed regularly as part of the internal control process. The Board does not therefore believe that a formal system of performance evaluation of the Board and its Chairman is appropriate to the Company at the current time.

The Manager

Under the terms of a Management Deed dated 7 December 2006, the Company has appointed Core Capital LLP as Manager of the Company. The Manager will manage and advise the Company so that it will ensure that the Company will satisfy and continue to satisfy the conditions for approval as a venture capital trust as set out in section 274 of ITA (previously section 842AA of the Income and Corporation Taxes Act 1988) and the rules of the UKLA. The Board and Manager operate in a supportive, co-operative and open environment and the Board

Corporate Governance Statement

regularly reviews the performance of the Manager. Details of the principal investments made by the Company are given in the Manager's Review on page 5. There are no management fees payable to the Manager. Details of the management incentive structure whereby the Manager is entitled to receive 30% of the investment profits are set out in Note 3 to the accounts on page 25.

The continued appointment of Core Capital LLP as Manager to the company on the existing terms was approved by the Board on 11 March 2009. The Board considers the arrangement for the provision of investment management and other services to the Company on an ongoing basis and a review is conducted annually.

As part of this review the Board considered the quality of management and levels of staffing, the investment process and the results achieved to date. As noted in the Chairman's Statement and Manager's Review, progress had been made in establishing a portfolio which should, based on the Manager's projections, ensure that the key test of 70% of your Company's assets qualify for VCT purposes, will be achieved by 31 December 2009.

The Board considers it too early to form a view as to relative performance given the timing of investments. From time to time the Board initiate discussions on investment process and portfolio activity with the aim of developing the capacity of the Manager to deliver investor value at acceptable risk as the level of invested capital rises.

The principal contents of the agreement with the Manager have been set out in the previous section. Having considered the terms of this agreement, and where relevant those of companies in the same peer group, the Board considers that the terms of the agreement represent an appropriate balance between cost and incentivisation of the Manager, with the principal economic reward to the Manager consisting of the profits share from investment profits.

Internal control

The Board acknowledges that it is responsible for the Company's system of internal control. Internal control systems are designed to manage the particular needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors are responsible for the internal control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of published financial information and the information used for business making decisions and that the assets of the Company are safeguarded.

The Board has put in place ongoing procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process an annual review of the control systems is carried out in accordance with the Turnbull guidelines for internal control. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company. Each risk is considered with regard to: the controls exercised at Board level; reporting by service providers and controls relied upon by the Board; exceptions for consideration by the Board; responsibilities for each risk and its review period; and risk rating. Investment risk is managed to the Board's satisfaction by the Manager, primarily through the medium of a balanced and diversified portfolio; this approach is described in more detail in the Managers' Report.

The Board has delegated contractually to third parties the management of the investment portfolio, the day to day accounting, company secretarial and administration requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board. The annual review includes a consideration of the risks associated with the Company's contractual arrangements with third party suppliers.

This procedure for the review of control systems has been in place and operational throughout the year under review. The Board has identified no significant problems with the Company's internal control mechanisms that warrant disclosure in the Annual Report.

Directors' remuneration

The remuneration of the Directors is determined by the Board, in accordance with the Company's Articles of Association. The Articles currently stipulate a maximum total Board remuneration of £100,000 per annum. The Board as a whole reviews the remuneration policy of the Company. Further details can be found in the Directors' Remuneration Report on pages 12-13.

Relations with Shareholders

Communication with Shareholders is given a high priority. All Shareholders receive a copy of the Annual and Interim Reports. There is an opportunity to question the Directors at the Annual General Meeting to which all Shareholders are invited. Shareholders also receive a Newsletter in respect of the quarters in which they do not receive either the Annual or the Interim Reports.

The Board as a whole approves the contents of the Chairman's Statement and Manager's Review which form part of the Annual and Interim Reports to Shareholders in order to ensure that they present a balanced and understandable assessment of the Company's position and future prospects.

The Company counts all proxy votes and indicates to Shareholders at each General Meeting the balance for and against each resolution and the number of abstentions, after it has been dealt with on a show hands. The details of proxy votes for each resolution are published on the Manager's website after each General Meeting.

The Notice of the Annual General Meeting is included in this Annual Report and is normally sent to Shareholders at least 20 working days before the meeting.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Accountability and audit

The Statement of Directors' Responsibilities in respect of the accounts is set out on page 18 of this report.

The Report of the Auditors is set out on page 19 of this report.

The non-audit services provided by the auditors for the period ended 31 December 2008 related to the review of the interim report. The Board regularly reviews and monitors the external auditor's independence and objectivity. As part of this it reviews the nature and extent of services supplied by the auditors to ensure that independence is maintained.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the year and of the net return for the year. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors confirm that the accounts comply with the above requirement.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985 and 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the Core Capital LLP website, which is maintained by the company's investment manager. The maintenance and integrity of the website maintained by Core Capital LLP is, so far as it relates to the company, the responsibility of Core Capital LLP.

In accordance with Chapter 4 of the Disclosure and Transparency Rules, and to the best of their knowledge, each Director of Core VCT V plc ("the company") confirms that the financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company. Furthermore, each director certifies that the Report of the Directors includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that the company faces.

By order of the board

Ray Maxwell
Director
6 April 2009

Independent Auditors' Report to the Shareholders of Core VCT V plc

We have audited the financial statements of Core VCT V plc for the year ended 31 December 2008 which comprise the Income Statement, Balance Sheet, Reconciliation of Movement in Shareholders' Funds and Cash Flow Statement and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The directors' are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. The other information comprises only the Performance Summary, Investment Objective, Investment Policy, the Chairman's Statement, the Manager's Review, the Investment Portfolio Summary, Board of Directors, the Directors' Report, the unaudited part of the Directors' Remuneration Report, Corporate Governance Statement, and the Statement of Directors' Responsibilities, Shareholder Enquiries, Notice of the Annual General Meeting and Corporate Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its Net Loss for the year then ended;
- the Financial Statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP
Registered auditor, London
6 April 2009

Income Statement
for the year ended 31 December 2008

	Notes	Revenue £	Year ended 31 December 2008 Capital £	Total £	Revenue £	Period from 6 December 2006 to 31 December 2007 Capital £	Total £
Unrealised losses on investments	9	–	(233,146)	(233,146)	–	(89,581)	(89,581)
Realised losses on investments	9	–	(696,015)	(696,015)	–	(93,037)	(93,037)
Income	2	406,144	–	406,144	253,515	–	253,515
Transaction costs and investment management expense	3	(4,840)	(49,563)	(54,403)	(4,608)	(53,584)	(58,192)
Other expenses	4	(159,284)	–	(159,284)	(180,988)	–	(180,988)
Return on ordinary activities before taxation		**242,020**	**(978,724)**	**(736,704)**	**67,919**	**(236,202)**	**(168,283)**
Tax on ordinary activities	6	(35,626)	10,948	(24,678)	–	–	–
Return attributable to equity shareholders		**206,394**	**(967,776)**	**(761,382)**	**67,919**	**(236,202)**	**(168,283)**
Return per Ordinary Share	8	**1.87p**	**(8.77)p**	**(6.90)p**	**0.89p**	**(3.09)p**	**(2.20)p**

The revenue column is the profit and loss account of the Company.

There were no other gains or losses in the year ended 31 December 2008.

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

No operations were acquired or discontinued in the year.

The notes on pages 23-34 form part of these financial statements.

Balance Sheet
as at 31 December 2008

	Notes	31 December 2008 £	£	31 December 2007 £	£
Investments at fair value	9		5,710,649		7,018,219
Current assets					
Debtors and prepayments	11	2,693,574		2,655,525	
Cash at bank	17	1,146,561		741,118	
			3,840,135		3,396,643
Creditors: amounts falling due within one year					
Other creditors	12	24,678		78,724	
Accruals	12	104,300		97,825	
			(128,978)		(176,549)
Net current assets			3,711,157		3,220,094
Net assets			**9,421,806**		**10,238,313**
Capital and reserves					
Called up Ordinary Share capital	13		1,102		1,102
Share premium account	14		–		–
Capital reserve - realised	14		(881,251)		(146,621)
Capital reserve - unrealised	14		(322,727)		(89,581)
Special distributable reserve	14		10,405,494		10,405,494
Revenue reserve	14		219,188		67,919
Total equity shareholders' funds			**9,421,806**		**10,238,313**
Net asset value per 0.01p Ordinary Share	15		**85.46p**		**92.86p**

The notes on pages 23-34 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 6 April 2009 and were signed on its behalf by:

Ray Maxwell

Director

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 December 2008

	Year ended 31 December 2008 £	Period from 6 December 2006 to 31 December 2007 £
Opening balance at beginning of year	10,238,313	–
Net share capital subscribed for in the year	–	10,406,596
Loss for the year	(761,382)	(168,283)
Dividends paid – revenue	(55,125)	–
Closing Shareholders' funds at 31 December 2008	**9,421,806**	**10,238,313**

The notes on pages 23-34 form part of these Financial Statements.

Cash Flow Statement

for the year ended 31 December 2008

	Notes	Year ended 31 December 2008 £	£	Period from 6 December 2006 31 December 2007 £	£
Operating activities					
Investment income received		367,844		235,824	
Investment management fees paid		(20,710)		(14,707)	
Other cash payments		(264,377)		(85,758)	
Net cash inflow from operating activities	16		82,757		135,359
Investment activities					
Acquisition of investments	9	(6,724,134)		(8,819,500)	
Disposal of investments	9	7,101,945		1,618,663	
Net cash inflow/(outflow) from financial investment			377,811		(7,200,837)
Equity dividends paid			(55,125)		–
Net cash inflow/(outflow) before financing			405,443		(7,065,478)
Financing					
Issue of ordinary shares		–		8,406,218	
Issue costs		–		(599,622)	
			–		7,806,596
Increase in cash	17		**405,443**		**741,118**

The notes on pages 23-34 form part of these Financial Statements.

Notes to the Accounts
for the year ended 31 December 2008

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current year and prior 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 and, the 2003 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies', revised December 2005.

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 Net revenue 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 or 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. Investments are recognised and de-recognised on a date where the purchase or sale of an investment is under a contract whose terms require the delivery or settlement of the investment. The Company manages its investments with a view to profiting from the receipt of dividends and changes in fair value of equity investments.

(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 maintainable 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 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 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, this amount is transferred to the realised reserve from the unrealised reserve.

(vi) When the fair value of an asset is below cost the asset will be impaired.

d) **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 financial liabilities are recognised on a time-apportioned basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course.

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 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 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 - 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 Income

	2008 £	2007 £
Income from investments		
– from loan stocks	104,737	48,424
– from dividends	276,201	126,687
	380,938	175,111
Interest income		
Bank interest	25,206	78,404
Total income	406,144	253,515
Total income comprises		
Dividends	276,201	126,687
Interest	129,943	126,828
	406,144	253,515
Income from investments comprises		
Fixed Income securities	276,201	126,687
Unlisted UK securities	104,737	48,424
	380,938	175,111

3 Transaction costs and investment management expense

	Revenue 2008 £	Capital 2008 £	Total 2008 £	Revenue 2007 £	Capital 2007 £	Total 2007 £
Third Party – transaction costs	–	33,121	33,121	–	37,667	37,667
Core Capital LLP – management fees	–	–	–	–	–	–
Credit Suisse – transaction costs	–	1,922	1,922	–	2,093	2,093
Credit Suisse – management fees	4,840	14,520	19,360	4,608	13,824	18,432
	4,840	49,563	54,403	4,608	53,584	58,192

Core Capital LLP advise the Company on investments in qualifying companies under an agreement dated 7 December 2006. The agreement is for an initial period of five years and thereafter until the appointment is terminated by not less than one year's notice in writing to expire at any time after the initial period.

In return for acting as investment manager, the Manager shall be entitled to a performance incentive from time to time in the form of a profit share, whereby the Manager is entitled to receive 30% of the Investment Profits, only when the following 2 conditions have been achieved:

- the total Return of the VCT is in excess of the opening NAV of 94.5p; and
- the Total Return of an underlying investment exceeds the original cost of that investment.

The Manager has also agreed to ensure that the annual operating costs of the company do not exceed an annual amount being 1.5% of the gross funds raised under the Offer.

Third party transaction costs arose from aborted transactions where such costs were not otherwise recoverable. Under the agreement with the Manager, these costs are to be borne by the Company and by other VCTs managed by Core Capital. The amount of such costs for the year ended 31 December 2008 is £33,121 (2007:£37,667).

4 Other expenses

	2008 £	2007 £
Directors' remuneration (including NIC) (see note 5)	13,817	23,000
IFA trail commision	59,384	30,843
Administration fees	4,690	20,898
Broker's fees	3,196	8,813
Auditors' fees – audit	15,825	17,625
– other services	234	1,998
Taxation services	2,937	2,938
Registrar's fees	(1,339)	8,813
Printing	7,384	6,342
Legal and professional fees	39,078	44,091
Directors' insurance	3,690	6,746
Subscriptions	10,206	8,704
Sundry	182	177
	159,284	180,988

Charges for non-audit services provided by the auditors for the year ended 31 December 2008 relate to the provision of the desktop review of the interim report. The Directors consider the auditors were best placed to provide these services. The Board reviews the nature and extent of non-audit services to ensure that independence is maintained.

Notes to the Accounts
for the year ended 31 December 2008

5 Directors' remuneration

	2008 £	2007 £
Directors' emoluments		
Ray Maxwell	7,500	8,016
Hylton Murray-Philipson (resigned 7 November 2007)	–	5,540
Paul Richards	6,000	6,415
Stephen Edwards (appointed 7 November 2007)	–	–
	13,500	19,971
Employer's NIC & VAT	317	3,029
	13,817	23,000

No pension scheme contributions or retirement benefit contributions were paid. There are no share option contracts held by the Directors. Since all the Directors are non executive, the other disclosures required by the Listing Rules are not applicable.

The company has no employees other than Directors. Stephen Edwards only received emoluments in his capacity as a partner in Core Capital LLP.

6 Taxation on ordinary activities

		2008 £	2007 £
a)	**Analysis of charge in the year**		
	Current tax charge for year	24,678	–
b)	**Factors affecting tax charge for the year**		
	Total return on ordinary activities before tax	(736,704)	(168,283)
	Add: unrealised losses	233,146	89,581
	Add: non-taxable realised Losses	696,015	93,037
	Add: capitalised transaction costs and investment management expense	49,563	53,584
	Revenue return on ordinary activities before taxation	242,020	67,919
	Corporation tax @ 20.75% (2007: 19.75%)	50,222	13,414
	Non-taxable UK dividend income	(14,596)	(24,270)
	Non-taxable expenses	–	8,012
	Addtional losses carried forward	–	2,844
	Taxation on revenue return	35,626	–
	Capitalised expenditure allowable and credited to capital return	–	(10,583)
	Additional losses carried forward	(10,948)	10,583
	Current tax charge for year	24,678	–

Investment trust companies are exempt from tax on capital gains if they meet the HM Revenue & Customs criteria set out in Section 274 Income Tax Act 2007 for a given year.

Deferred taxation

The Company has not recognised a deferred tax asset of £nil (2007: £13,427) arising as a result of having unutilised management expenses. It is unlikely that the Company will obtain relief for these in the near future, so no deferred asset has been recognised.

7 Dividends and other appropriations

Any proposed final dividend is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Set out below are the total income dividends payable in respect of the financial year, which is the basis on which the requirements of Section 274 of the Income Tax Act 2007 are considered.

	2008 £	2007 £
Revenue available for distribution by way of dividends for the year	206,394	67,919
Proposed final dividend of 1.5p per Ordinary Share for the year ended 31 December 2008 (2007:0.5p)	165,375	55,125

8 Return per Ordinary Share

	2008 £	2007 £
Total earnings after taxation:	(761,382)	(168,283)
Basic earnings per share (note a)	**(6.90)p**	**(2.20)p**
Net revenue from ordinary activities after taxation	206,394	67,919
Revenue return per share (note b)	**1.87p**	**0.89p**
Net realised capital losses	(696,015)	(93,037)
Net unrealised capital losses	(233,146)	(89,581)
Capital expenses	(38,615)	(53,584)
Total capital return	(967,776)	(236,202)
Capital return per share (note c)	**(8.77)p**	**(3.09)p**
Weighted average number of shares in issue in the year	11,024,969	7,650,851

Notes

a) Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
b) Revenue return per share is net revenue after taxation divided by the weighted average number of shares in issue.
c) Capital return per share is total capital return divided by the weighted average number of shares in issue.

9 Investments

	Unlisted £	Funds and Unit Trusts £	Total £
Valuation at 31 December 2007	1,124,000	5,894,219	7,018,219
Unrealised (gains)/losses at 31 December 2007	(124,000)	213,581	89,581
Cost at 31 December 2007	1,000,000	6,107,800	7,107,800
Purchases at cost	750,000	5,974,134	6,724,134
Sale proceeds	–	(7,101,945)	(7,101,945)
Realised losses	–	(696,015)	(696,015)
Amortisation	–	(598)	(598)
Cost at 31 December 2008	1,750,000	4,283,376	6,033,376
Unrealised (losses) at 31 December 2008	–	(322,727)	(322,727)
Valuation at 31 December 2008	1,750,000	3,960,649	5,710,649

10 Significant interests

At 31 December 2008, the company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

Company	Equity investment (ordinary shares) £	Investment in loan stock £	Total investment (at cost) £	Percentage of investee company's total equity
Colway Limited	300,000	700,000	1,000,000	3.8%
Camwatch Limited	225,000	525,000	750,000	3.2%

The above companies are incorporated in the United Kingdom.

Whilst the Company has significant interests as set out above, it has not equity accounted for its investment. Instead, the investment is accounted for at market value. As the Company is an investment fund, this treatment is permitted under FRS9:Associates and joint Ventures.

Core Capital LLP also advises Core VCT I plc, Core VCT II plc, Core VCT III plc and Core VCT IV plc that have made investments to 31 December 2008 in the following companies:

	Core VCT I plc £	Core VCT II plc £	Core VCT III plc £	Core VCT IV plc £	Total at cost £	% of equity held by funds managed by Core Capital LLP
Camwatch Limited	–	–	–	750,000	750,000	6.4%
Colway Limited	1,000,002	1,000,002	1,000,002	1,000,000	4,000,006	72.3%

11 Debtors

	2008 £	2007 £
Amounts due within one year:		
Accrued income	86,588	47,690
Prepayments	6,986	7,835
Called up share capital unpaid	2,600,000	2,600,000
	2,693,574	2,655,525

Called up share capital unpaid is in accordance with the arrangements set out in the prospectus.

12 Creditors: amounts falling due within one year

	2008 £	2007 £
UK Corporation tax	24,678	–
Trade creditors	–	48,724
Other creditors	–	30,000
Accruals	104,300	97,825
	128,978	176,549

13 Called up share capital

	2008 £	2007 £
Authorised:		
Ordinary Shares of 0.01p each: 530,000,000	5,300	5,300
Allotted, called-up and fully paid:		
Ordinary Shares of 0.01p each: 11,024,969	1,102	1,102

14 Share capital and reserves

	Called up Share capital £	Capital reserve (realised) £	Capital reserve (unrealised) £	Special distributable reserve £	Revenue reserve £	Total £
As at 1 January 2008	1,102	(146,621)	(89,581)	10,405,494	67,919	10,238,313
Realised losses	–	(696,015)	–	–	–	(696,015)
Unrealised losses	–	–	(233,146)	–	–	(233,146)
Capitalised expenses	–	(49,563)	–	–	–	(49,563)
Dividends – revenue	–	–	–	–	(55,125)	(55,125)
Tax effect of capital items	–	10,948	–	–	–	10,948
Return for year	–	–	–	–	206,394	206,394
At 31 December 2008	1,102	(881,251)	(322,727)	10,405,494	219,188	9,421,806

15 Net asset value per share

Net asset value per Ordinary Share is based on net assets at the end of the year, and on 11,024,969 Ordinary Shares, being the number of Ordinary Shares in issue on that date.

Notes to the Accounts
for the year ended 31 December 2008

16 Reconciliation of net revenue before taxation to net cash inflow from operating activities

	2008 £	2007 £
Return on ordinary activities before taxation	(736,704)	(168,283)
Losses on investments	929,161	182,618
Decrease/(increase) in debtors	849	(55,525)
Increase in accrued income	(38,898)	–
Amortisation of fixed income	598	–
(Decrease)/Increase in creditors and accruals	(72,249)	176,549
Net cash inflow from operating activities	82,757	135,359

17 Analysis of changes in net funds

	2008 £	2007 £
At beginning of period	741,118	–
Cash flows	405,443	741,118
At 31 December 2008 – cash at bank (net funds)	1,146,561	741,118

18 Financial Instruments

The Company's financial instruments in both years comprised:

- Equity and fixed and floating rate interest securities that are held in accordance with the Company's investment objective.
- Cash, liquid resources and short term debtors and creditors that arise directly from the Company's operations.

Classification of financial instruments

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 31 December 2008:

	2008 (Book value) £	2008 (Fair value) £	2007 (Book value) £	2007 (Fair value) £
Assets at fair value through profit and loss				
Investments managed by Core Capital LLP	1,750,000	1,750,000	1,124,000	1,124,000
Investments managed by Credit Suisse	3,960,649	3,960,649	5,894,219	5,894,219
Cash at bank	1,146,561	1,146,561	741,118	741,118
Loans and receivables				
Called up share capital unpaid	2,600,000	2,600,000	2,600,000	2,600,000
Accrued income	86,588	86,588	47,690	47,690
Other debtors	6,986	6,986	7,835	7,835
Other creditors	(128,978)	(128,978)	(176,549)	(176,549)
	9,421,806	9,421,806	10,238,313	10,238,313

The Core Capital investment portfolio consists of unquoted investments representing 18.6% (2007: 11.0%) of net assets. This portfolio has a 100% (2007: 100%) concentration of risk towards small UK based, sterling denominated companies. The Credit Suisse portfolio comprises a range of ready realisable equity linked investments, representing 42.0% (2007: 57.6%) of net assets.

The main risks arising from the Company's financial instruments are due to fluctuations in market prices (market price risk), credit risk and interest rate risk, although liquidity risk and currency risk are also discussed below. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These have been in place throughout the current and preceding periods.

Market price risk

Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Company's investment objectives. It represents the potential gain or loss that the Company might benefit or suffer from through holding market positions in the face of market movements.

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and as such the prices are more uncertain than those of more widely traded securities. Where the unquoted investments are valued by reference to price earnings ratios prevailing in quoted comparable sectors, their valuations are exposed to changes in the price earnings ratios that exist in the quoted markets.

The Board's strategy in managing the market price risk inherent in the Company's portfolio of equities and loan stock investments is determined by the requirement to meet the Company's investment objective, as set out on page 2. As part of the investment process, the Board seeks to maintain an appropriate spread of market risk, and also has full and timely access to relevant information from the Investment Manager. No single investment is permitted to exceed 15% of total investment assets at the point of investment. The Board meets regularly and reviews the investment performance and financial results, as well as compliance with the Company's objectives. In the case of the Credit Suisse portfolio, derivative instruments are often used to hedge against market risk.

Market price risk sensitivity

The Board believes that the Company's assets are mainly exposed to market price risk, as the Company is required to hold most of its assets in the form of sterling denominated investments in small companies, and holds the remainder in a portfolio of equity instruments managed by Credit Suisse.

The investment made by the Manager in unquoted companies, irrespective of the instruments the Company actually holds, (whether shares or loan stock) carry a full market risk, even though some of the loan stocks may be secured on assets, but behind any prior ranking bank debt in the investee company.

The Board considers that the values of investments in unquoted equity and loan stock instruments are ultimately sensitive to changes in quoted share prices, insofar as such changes eventually affect the enterprise value of unquoted companies. The impact on net assets of unquoted investments if there were to be a 15% movement in overall share prices for the year would have been an increase or decrease of £262,500 (2007:£168,600). The impact on net assets if there were to be a 15% movement in overall share price for listed quoted securities for the year would have been an increase or decrease of £594,097 (2007:£884,133).

The above figures assumes that each of these sub categories of investments (shares and loan stocks) held by the Company produces a movement overall of 15% and that the actual portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. However, Shareholders should note that this level of correlation is unlikely to be the case in reality, particularly in the case of the loan stock instruments. This is because loan stock instruments would not share in the impact of any increase in share prices to the same extent as the equity investments, as the returns are set by reference to interest rates and premiums agreed at the time of the initial investment. Similarly, where share prices are falling, the equity instrument could fall in value before the loan stock instrument. It is not considered practical to assess the sensitivity of the loan stock instruments to market price risk in isolation.

The impact of a change of 15% has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement. The range in equity prices is considered reasonable given the historic changes that have been observed.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company.

The Company's maximum exposure to credit risk is:

	2008 £	2007 £
Financial assets		
Securities	4,185,649	6,018,219
Loan stock investments	1,525,000	1,000,000
Called up share capital unpaid	2,600,000	2,600,000
Accrued income	86,588	47,690
Other debtors (excluding prepayments)	6,986	7,835
Cash and cash equivalents	1,146,561	741,118
Total	9,550,784	10,414,862

The Company has an exposure to credit risk in respect of the loan stock investments it has made in investee companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that an investee company may owe.

£86,588 of the accrued income shown above was due within 2 months of the year end.

The following table shows the maturity of the loan stock investment referred to above.

	2008 £	2007 £
Repayable within		
5 years	1,525,000	1,000,000
Total	1,525,000	1,000,000

These loan stock investments are made as part of the qualifying investments within the investment portfolio, and the risk management processes applied to loan stock investments have already been set out under market price risk above.

Called up share capital unpaid is supported by bank guarantees, so is considered to be low credit risk

There could also be a failure by counterparties to deliver securities which the Company has paid for, or pay for securities which the Company has delivered. This risk is considered to be small as most of the Company's investment transactions are in unquoted investments, where investments are conducted through solicitors, to ensure that payment matches delivery. In respect of any quoted investment transactions that are undertaken, the Company uses brokers with a high credit quality, and these trades usually have a short settlement period. Accordingly, counterparty risk is considered to be relatively low.

There are no assets that are past due repayment dates.

Interest rate risk

The Company's fixed and floating rate interest securities, its equity investments and net revenue may be affected by interest rate movements. Investments are often in relatively small businesses, which are relatively high risk investments sensitive to interest rate fluctuations.

Due to the short time to maturity of the Company's floating rate investments, it may not be possible to re-invest in assets which provide the same rates as those currently held.

The Company's assets include fixed and floating rate interest instruments, as shown below. The rate of interest earned is regularly reviewed by the Board, as part of the risk management processes applied to these instruments, already disclosed under market price risk on page 31.

The interest rate profile of the Company's financial net assets at 31 December 2008 was:

	Financial assets on which no interest paid £	Fixed rate financial assets £	Floating rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity	2,746,784	–	–	2,746,784		
Fixed Interest Securities	–	1,438,865	–	1,438,865	4.30	0.41
Loan stock	–	1,525,000	–	1,525,000	14.97	4.90
Cash	–	–	1,146,561	1,146,561		
Debtors	2,693,574	–	–	2,693,574		
Creditors	(128,978)	–	–	(128,978)		
Total	5,311,380	2,963,865	1,146,561	9,421,806		

The interest rate profile of the Company's financial net assets at 31 December 2007 was:

	Financial assets on which no interest paid £	Fixed rate financial assets £	Floating rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity	6,018,219	–	–	6,018,219		
Loan stock	–	1,000,000	–	1,000,000	14.98	4.70
Cash	–	–	741,118	741,118		
Debtors	2,655,525	–	–	2,655,525		
Creditors	(176,549)	–	–	(176,549)		
Total	8,497,195	1,000,000	741,118	10,238,313		

Floating rate cash earns interest based on LIBOR rates.

The Company's investments in equity shares and similar instruments have been excluded from the interest rate risk profile as they have no maturity date and would thus distort the weighted average period information.

Interest rate sensitivity

Although the Company holds investments in loan stocks that pay interest, the Board does not believe that the income of these instruments is interest rate sensitive, as they all carry fixed rates of interest. The Board does not consider that the impact of interest rate changes materially affects the value of the loan portfolio in isolation, other than the consequent impact that interest rate changes have upon movements in share prices, discussed under equity price risk above.

Liquidity risk

The investment in equity and fixed interest stocks of unquoted companies that the Company holds are not traded. They are not readily realisable. The ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The company's ability to sell investments may also be constrained by the requirements set down by VCTs. The maturity profile of the Company's loan stock investments disclosed within the consideration of credit risk above indicates that these assets are also not readily realisable until dates up to 5 years or more from the year end.

To counter these risks to the Company's liquidity, the Manager maintains sufficient ready realisable investments within the Credit Suisse portfolio to meet running costs and other commitments.

All creditors and accruals are due within one year and are comfortably covered by funds within the Credit Suisse portfolio and short term debtors.

Currency risk

All assets and liabilities are denominated in sterling and therefore there is no currency risk.

Notes to the Accounts
for the year ended 31 December 2008

19 Management of Capital

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and to provide an adequate return to shareholders by allocating its capital assets commensurately with the level of risk.

By its nature, the company has an amount of capital, at least 70% (as measured under the tax legislation) of which is and must be, and remain, invested in the relatively high risk asset class of small UK companies within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the group may maintain a level of liquidity to remain a going concern.

Although, as the Investment Policy implies, the Board would consider levels of gearing, there are no current plans to do so. It regards the net assets of the Company as the Company's capital, as the level of liabilities are small and the management of them is not directly related to managing the return to shareholders. There has been no change in this approach from the previous year.

20 Segmental analysis

The operations of the Company are wholly in the United Kingdom.

21 Related party transactions

Stephen Edwards is a member of the Manager, Core Capital LLP. Details of the carried interest arrangements between the Company and the Manager are set out in Note 3 which also discloses amounts paid and payable to the Manager.

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 and Lamb Yard, Farnham, Surrey GU9 7LL (telephone 01252 821390) or should you prefer visit their website at 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

Walid Fakhry on 020 7317 0145 or by e-mail on Walid.Fakhry@Core-Cap.com

For Shareholders considering selling their shares, please contact the Company Secretary, 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, email: vcts@aberdeen-asset.com.

CORE VCT V PLC

(Registered in England and Wales No. 5957415)

NOTICE of the ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of the Company will be held at 9.45 am (or as soon thereafter as the Annual General Meeting of Core IV VCT plc has been concluded or adjourned) on 6 May 2009 at the offices of Core Capital LLP, 103 Baker Street, London W1U 6LN for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the report of the Directors and the audited accounts of the Company for the year ended 31 December 2008, together with the Auditors' report thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2008 as set out in the Annual Report and Accounts of the Company for the year ended 31 December 2008.
3. To re-appoint Ernst & Young LLP of 1 More London Place, London SE1 2AF as Auditors.
4. To authorise the Directors to determine the remuneration of the auditors.
5. To re-elect Paul Richards as a Director of the Company.
6. To elect Greg Aldridge as a Director of the Company.
7. To declare a final dividend for the year ended 31 December 2008 of 6.5 pence per share, payable on 21 May 2009 to Shareholders registered at close of business on 24 April 2009.

SPECIAL BUSINESS

8. THAT in substitution for any existing authorities pursuant to section 80 of the Companies Act 1985 ("the Act") the Directors be generally and unconditionally authorised, in accordance with the Act to:
   (i) allot relevant securities (within the meaning of section 80) up to an aggregate nominal amount of £276 being approximately 25% of the issued share capital of the Company, this authority to expire on 6 May 2014 (unless previously renewed, varied or revoked by the Company in general meeting); and
   (ii) the Company may be entitled under the authority conferred or under the renewal thereof to make at any time prior to the expiry of such authority any offer or enter into any agreement which would or might require relevant securities as aforesaid to be allotted after the expiry of such authority and the directors may allot relevant securities accordingly as if the authority conferred thereof had not expired.

To consider and, if thought fit, to pass the following as a Special Resolution:

9. THAT in substitution for any existing authorities pursuant to section 95 of the Act the Directors be and they are hereby empowered to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the authority conferred upon them by resolution 8 above as if section 89(1) of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities in connection with:
   (i) the allotment of equity securities having a nominal value not exceeding 10% of the issued share capital of the Company at the date on which this resolution is passed in connection with a rights issue in favour of the holders of relevant securities in which such holders are offered the right to participate, in proportion (as nearly as may be) to the respective holdings but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in connection with shares representing fractional entitlements or on account of either legal or practical problems arising in connection with the laws or any territory, or of the requirements of any generally recognised body or stock exchange in any territory;
   (ii) the allotment of equity securities (otherwise than pursuant to sub-paragraph (i) above) having a nominal value not exceeding 10% of the issued share capital of the Company at the date on which this resolution is passed where the proceeds of the allotment may be used in whole or in part to purchase the Company's ordinary shares in the market; and
   (iii) the allotment of equity securities (otherwise than pursuant to sub-paragraphs (i) and (ii) above) from time to time with an aggregate nominal value of up to 5% of the issued share capital of the Company at the date on which this resolution is passed

This power shall expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2010 or, if earlier, on 6 August 2010 (unless previously renewed, varied or revoked by the Company in General Meeting), save that the Company may before the expiry of this authority make an offer or enter into an agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired.

To consider and, if thought fit, to pass the following as a Special Resolution:

10. THAT the Company be and is hereby authorised in accordance with section 166 of the Act to make one or more market purchases (within the meaning of section 163 of the Act) of the ordinary shares of 0.01 pence each in the Company provided that:
    (i) the maximum aggregate number of ordinary shares authorised to be purchased is 1,652,643 representing approximately 14.99 per cent. of the issued share capital as at the date hereof;
    (ii) the minimum price which may be paid for an ordinary share is 0.01 of a penny per share; and
    (iii) the maximum price, exclusive of expenses, which may be paid for an ordinary share shall not be more than 105% of the average of the middle market prices for the ordinary shares of the Company as derived from the Daily Official List of the UK Listing Authority for the five business days immediately preceding the day on which that ordinary share is purchased.

    This authority shall expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2010 or, if earlier, on 6 August 2010 (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may prior to such expiry, enter into a contract to purchase ordinary shares which will or may be completed or expected wholly or partly after such expiry.

To consider and, if thought fit, to pass the following as a Special Resolution:

11. THAT the Articles of Association in the form produced to the meeting and signed by the Chairman for the purposes of identification, be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

BY ORDER OF THE BOARD

Aberdeen Asset Management PLC
Secretary

Registered Office
One Bow Churchyard
London EC3M 9HH

6 April 2009

NOTES:

(i) A person entitled to receive notice of, attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his place. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may copy the proxy form, clearly stating on each copy the shares to which the proxy relates, or alternatively contact the Company's registrars, Share Registrars Limited, on 01252 821390, to request additional copies.

(ii) To be valid the enclosed form of proxy for the Annual General Meeting together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited no less than 48 hours prior to the time fixed for the holding of the meeting or any adjournment of the said meeting at the offices of the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.

(iii) If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person): You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company or its registrars) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

(iv) Completion and return of the form of proxy will not prevent a Shareholder from attending and voting in person at the Annual General Meeting should he subsequently decide to do so.

(v) As at 6 April 2009, the Company's issued share capital comprised 11,024,969 Ordinary Shares. Each share carries one vote at a general meeting of the Company and, therefore, the total voting rights in the Company as at 6 April 2009 is 11,024,969.

(vi) The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those Shareholders registered in the Register of Members of the Company as at midnight on 4 May 2009 or, in the event that the meeting is adjourned, in the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the Register of Members after midnight on 4 May 2009 or, in the event that the meeting is adjourned, in the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

APPENDIX

Summary of changes to the Articles of Association of the Company

Principal changes included in the New Articles

Part A – General Changes

1 Deletion of procedures not allowed in the 2006 Act

The 2006 Act does not use the concept of a members' extraordinary resolution (using just ordinary resolution and special resolution), extraordinary general meetings (members' meetings are simply general meetings with only the annual general meeting being specially named), or authorised share capital. The New Articles have been amended to reflect these changes.

The 2006 Act does not allow the chairman of a members' meeting to use a second or casting vote if on a vote there is a tie, the provision in the Current Articles allowing the chairman a second or casting vote has been removed.

2 Use of the Model Articles

The Model Articles make provision for a number of aspects covered by the Current Articles. The opportunity to use the up to date proposed standard wording has been taken in relation to uncertificated shares (New Article 6.1), proceedings at a general meetings (New Articles 12.3 to 12.5), votes of members at meetings (New Articles 13.7 and 13.8), and signing of instruments to which the Company's seal is affixed (New Article 22.5).

3 Definitions

Definitions for ""1985 Act", "2006 Act", "Associated Company", "Deferred Shares", "Ordinary Shares", "Redeemable Preference Shares", "writing", "hard copy form", "electronic form", "electronic means" and "address" have been added to Current Article 1. Article 1 has also been amended to clarify how references to statutory provisions, enactments and EC Directives in the Articles are to be interpreted.

Part B – Specific Changes

1 Transfer of Shares

New Article 8.3 places a duty upon directors to send notice and give reasons to the transferee when refusing to register a transfer of shares.

2 Convening of Annual General Meetings

Current Article 11.1 provides that not more than 15 months shall elapse between one Annual General Meeting and the next. Section 336(1) of the 2006 Act requires Annual General Meetings to be held within 6 months of the company's accounting reference date. New Article 11.1 has been amended to reflect this position.

3 Appointment and rights of Proxies

New Article 11.4 allows a member to appoint more than one proxy, provided that each proxy is appointed to exercise rights attached to different shares held by him.

New Article 11.5 states that every form of proxy accompanying a notice of general meeting must provide for at least three-way voting.

New Article 12.11 gives proxies the right to demand, or join in demanding, a poll.

New Article 13.8 states the maximum time limits for delivery of proxy appointment notices.

4 Age Limit for Directors

Current Article 16.3 provides that section 293 of the 1985 Act applies to the Company. Section 293 of the 1985 Act provided that no person shall be director after he or she reaches the age of 70. The statutory restriction on the age of directors has not been repeated in the 2006 Act. The New Articles do not include an age limit for Directors as such a provision might be found to be unenforceable under the Employment Equality (Age) Regulations 2006.

5 Directors' conflicts of interest

Previous amendments made to the Company's Articles empowered the directors to authorise a conflict and allow a director to vote on a matter in which he has an interest. Following institutional investor guidance and market practice it is proposed that the Company's Articles should be changed to reflect the policy that the directors will not usually authorise conflict situations. New Articles 18 and 19A reflect this policy.

6 Directors Powers to establish Pensions and other Financial Schemes

New Article 19B gives directors the power to establish, maintain, contribute to and participate in any pension or financial scheme (including schemes for acquisition of shares in the Company of its holding Company) for the benefit the Company's employees or persons related to them.

7 Payment of Dividends

New Article 23.9 makes specific provision to allow for payment of dividends by inter-bank transfer direct to the account of the person entitled to payment and by other means as may be agreed (in addition to payment by cheque in the usual way).

8 Shareholder meetings - possible multiple locations

New Article 12.4 and 12.5 allow for members' meeting to be held in multiple locations.

9 Directors' and officers' indemnity and insurance

New Article 29 has been amended to exclude the Auditors.

10 Liability of Members

The Companies Act 2006 contains changes to the content of a company's memorandum of association and provides that a company's objects are unrestricted unless the company's articles of association specifically restrict the company's objects.

The relevant provisions of the Companies Act (expected to come into force on 1 October 2009) significantly reduce the constitutional significance of a company's memorandum, providing that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. In addition to that the company's memorandum of association currently contains its name, a statement that the company is public company, the location of its registered office, the company's objects (which set out the scope of the activities the Company is authorised to undertake and which are drafted to give a wide scope), a statement that the liability of its members is limited, and a statement of the company's share capital. On the change of law becoming effective those additional provisions and in particular the company's objects are to be treated as provisions of the Company's articles of association, unless and until shareholders decide otherwise.

It is anticipated that on the coming into force of the relevant provision of the Companies Act the articles of association of the Company shall be amended by deleting all the provisions of the Company's memorandum of association.

The statement in the Memorandum that the liability of the members is limited is to be retained. A specific statement to that effect will be introduced to the Company's Articles as new Article 30.

PROXY FOR THE ANNUAL GENERAL MEETING

for Core VCT V plc

I/We ....

of (address) ....

being a member/members of the Company hereby appoint the Chairman of the Meeting, or

....

of (address) ....

as my/our proxy to vote, on a poll, in my/our name and on my/our behalf at the Annual General Meeting of the Company to be held at 9.45 am on 6 May 2009 at the offices of Core Capital LLP, 103 Baker Street, London W1U 6LN and at any adjournment thereof.

Please indicate with an 'x' in the boxes below how you wish your vote to be cast. Should this form of proxy be returned signed but without a specific direction, the proxy may vote or abstain as he/she thinks fit. On any other business at the Annual General Meeting (including any motion to amend any resolution or adjourn the meeting) the proxy will vote or abstain from voting at his or her discretion.

The proxy is directed to vote on the resolutions set out in the notice convening the Annual General Meeting, of which resolutions 1 to 8 are proposed as ordinary resolutions and resolutions 9 to 11 are proposed as special resolutions, as follows:

	Resolution	For	Against	Vote withheld
ORDINARY BUSINESS				
Resolution 1	To approve the Annual Report and Accounts for the year ended 31 December 2008.			
Resolution 2	To approve the Directors' Remuneration Report for the year ended 31 December 2008.			
Resolution 3	To re-appoint Ernst & Young LLP as independent Auditors.			
Resolution 4	To authorise the Directors to determine the remuneration of the auditors.			
Resolution 5	To re-elect Paul Richards as a Director of the Company.			
Resolution 6	To elect Greg Aldridge as a Director of the Company.			
Resolution 7	To declare a final dividend of 6.5 pence per share.			
SPECIAL BUSINESS				
Resolution 8	To authorise the Directors to allot Ordinary Shares.			
Resolution 9	To authorise the Directors to disapply pre-emption rights of members (special resolution).			
Resolution 10	To authorise the Company to make market purchases of Ordinary Shares (special resolution).			
Resolution 11	To approve the adoption of new Articles of Association (special resolution).			

Signed .... Dated ....

NOTES AND INSTRUCTIONS

1. A person entitled to receive notice of, attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote, on a poll, in his place. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may copy the proxy form, clearly stating on each copy the shares to which the proxy relates, or alternatively contact the Company's registrars, Share Registrars Limited, on 01252 821390, to request additional copies.
2. Delete "the Chairman of the Meeting" if it is desired to appoint any other person and insert his or her name and address. If no name is inserted, the proxy will be deemed to have been given in favour of the Chairman of the Meeting. If this Form of Proxy is returned without stating how the proxy shall vote on any particular matter the proxy will exercise his/her discretion as to whether, and if so how, he votes. Any alterations to the Form of Proxy should be initialled.
3. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person): You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting.

   If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

   Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company or its registrars) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
4. In the case of a Corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
5. To be effective, this form of proxy and any power of attorney or other authority under which it is signed or a notarially certified copy of such power of authority must be completed and deposited at the office of the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL not later than 48hours before the time set for the meeting.
6. In the case of joint holders, the vote of the senior holder tendering a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority depends on the order in which the names stand in the register of members.
7. The completion and return of this form of proxy will not preclude you from attending and voting at the meeting should you subsequently decide to do so.

Second fold

BUSINESS REPLY SERVICE
Licence No. GI2155

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Share Registrars Limited
Suite E
First Floor
9 Lion and Lamb Yard
FARNHAM
Surrey
GU9 7BR

First fold

Third fold
and tuck in flap opposite

Corporate Information

Directors
Ray Maxwell (Chairman)
Paul Richards
Greg Aldridge

All of whom are non-executive and of:
One Bow Churchyard
London
EC4M 9HH

Secretary and administrator
Aberdeen Asset Management PLC
149 St.Vincent Street
Glasgow
G2 5NW

Investment Manager
Core Capital LLP
103 Baker Street
London
W1U 6LN

VCT Tax Adviser
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Receiving Agent
The City Partnership (UK) Limited
Box 41
196 Rose Street
Edinburgh
EH2 4AT

Cash Assets Investment Manager
Credit Suisse
Private Banking,
17th Floor
1 Cabot Square
London E14 4QJ

www.core-cap.com

Solicitors
SJ Berwin
10 Queen Street Place
London
EC4R 1BE

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

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

Sponsor and Promoter
Collins Stewart Limited
9th Floor
88 Wood Street
London
EC2V 7Q

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

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

Company No : 5957415

Shareholder Notes