CORE VCT V PLC

Annual Report and Accounts
for the year ended 31 December 2010

Investment Objective

Core VCT V plc is a tax efficient listed company which aims to achieve an attractive return 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.

Contents

If you have sold or otherwise transferred all of your ordinary shares for Core VCT V plc, please forward this document and accompanying form of proxy as soon as possible to the purchaser or transferee, or to a stockbroker, bank or other agent through whom the sale or transfer was, or is being, effected, for delivery to the purchaser or transferee.

Performance Summary

Performance Record

Year ended	Net Assets £m	Net asset value pence	Share price pence	NAV Total Return* (excluding tax reliefs) pence	NAV Total Return* (including initial tax reliefs) pence	Total Expense Ratio† %
2007	10.2	92.86	100.00	92.86	122.86	1.10
2008	9.4	85.46	80.00	85.96	115.96	0.66
2009	9.1	82.51	60.00	89.51	119.51	0.91
2010	**9.8**	**89.31**	**50.25**	**96.81**	**126.81**	**1.30**

*Source Core Capital LLP
†Operating expenses of the Company, excluding trail commission and third party transaction costs as a percentage of closing net assets.

Dividends Paid Since Launch

Year ended	Revenue dividend pence	Capital dividend pence	Total annual dividend pence	Cumulative dividends pence
2007	0.5	–	0.5	0.5
2008	1.5	5.0	6.5	7.0
2009	0.5	–	0.5	7.5
2010	**–**	**–**	**–**	**–**

Chairman's Statement

Results

The Net Asset Value (NAV) Total Return per Ordinary Shares was 96.81p as at 31 December 2010, comprising a NAV per Ordinary Share of 89.31p and cumulative dividends paid of 7.5p per Ordinary Share. This is an increase from the NAV Total Return to 31 December 2009 of 8.2%. A net return of £804,815 (7.3p per share) was recorded through the Income Statement for the year ended 31 December 2010 (2009: net return of £391,288).

The increase of 7.3p per share is accounted for by:

- 7.9p per share due to movement in the unquoted portfolio; and
- Less 0.6p per share for operating costs.

Your Board is not in a position to recommend a final dividend to shareholders.

Investments

One new portfolio investment totalling £1.0 million was completed during the year, into Ark Home Healthcare Limited, Core VCT plc invested £2 million and Core VCT IV plc invested £1.0 million. Further investments totalling £1.0 million were completed into two existing portfolio companies, Allied International Limited.

The Manager's Review refers in more detail to the prospects of the investment portfolio, which now comprises 9 unquoted companies with an investment cost of £7.8 million and a valuation of £8.9 million.

Share Price

The Ordinary Shares (CR5) are fully listed shares. Prices are available on www.londonstockexchange.com and the Ordinary Shares are published in the Financial Times. Shareholders are reminded that they must hold their shares for at least five years in order to retain the tax reliefs obtained.

We would remind shareholders that we view the NAV Total Return, rather than 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.

Core VCT V plc does have the ability to buy back shares, although we are not anticipating making any share buy backs for the foreseeable future so that we are best placed as a company to maximise distributions made to all shareholders.

Cash Assets

We have reported regularly on the performance of the Cash Asset portfolio under the management of Credit Suisse. Their contract was terminated on 19 May 2010 and since then we have realised the remaining instruments for cash. Since inception, the total losses generated by Credit Suisse amounted to £1.0 million, equivalent to 8.9p per share. This clearly has reduced our ability to make distributions to shareholders on the scale initially targeted. We have examined all routes available to us to recover this loss, but have concluded that the costs of pursuing any further action would be prohibitive. The Company has net current assets of £1.0 million, equivalent to 8.9p per share.

Board Changes

There were several Board changes implemented during the year in order to comply with the new independence conditions of Chapter 15 of the UKLA Listing Rules which took effect during September 2010. I resigned as a non executive Director of Core VCT IV plc to take up the Chairmanship of the Company. Ray Maxwell resigned as Chairman of the Company to take up the Chairmanship of Core VCT IV plc. David Harris was also appointed a non executive Director of the Company.

Annual General Meeting

The Company's Annual General Meeting will be held at 10.15 am (or as soon thereafter as the Annual General Meeting of Core VCT IV plc has concluded) on 20 June 2011 at 19 Cavendish Square, London, W1A 2AW. This is a good opportunity for shareholders to meet the Directors and Manager and I would encourage you to attend.

The Notice of the Annual General Meeting is contained on pages 36 to 37 and a Form of Proxy is enclosed. Shareholders who are unable to attend the Meeting are encouraged to complete and return the Form of Proxy to the Company's registrars so as to ensure that their votes are represented at the Meeting.

Outlook

The investment programme for making new investments has now been completed and given that we are now fully invested we are constrained in the amount of capital we have available to invest further into the portfolio. However, some of our largest investments have reached a stage where they are looking to build on their success and raise further capital for expansion and to maximise the growth in value that this is expected to create. The Directors, together with the Manager and the other Core VCTs are considering options to raise further funding for the underlying portfolio companies. Should these discussions be successful we will inform shareholders immediately.

Greg Aldridge

Chairman

5 April 2011

Manager's Review

Investment Highlights

- One new investment was completed totalling £1 million and £0.98 million was invested into two existing portfolio companies
- Investment Portfolio now comprises 9 investments with a cost of £7.8 million and a value of £8.9 million
- The Company was 78% invested in qualifying companies as at 31 December 2010
- The weighted average gross yield on the unquoted portfolio is 9.4% per annum

New Investments

We invested £1 million into Ark Home Healthcare (utilising Core Mezz 1 Limited), alongside Core VCT plc which invested £2 million and Core VCT IV plc which invested £1 million. Ark is a "buy and build" strategy in domiciliary/homecare sector, focused on the southern half of the UK.

Existing Investments

We invested a further £0.9 million alongside Core VCT IV plc into Allied International to provide additional working capital funding. Core VCT plc invested £1.0 million. We made a further investment of £78,000 into Georgina Goodman to provide additional working capital funding. Since the year end, Core Mezz II Limited was partially utilised to acquire Better at Homes Limited. Both Core VCT IV plc and Core VCT V plc committed £575,000.

A more detailed description of the status of each investment follows.

Allied International Holdings Limited

Destination Management Company

All Core Capital LLP managed funds

First Investment:	Nov-09
Total Cost:	£5,899,000
Total equity held:	52.2%

Core VCT V plc only

Cost:	£1,952,000
Valuation:	£2,047,000
Valuation basis:	Gross Profit Multiple
% of equity held:	21.7%

Year ended 31 December (unaudited management accounts)	2010 USD'000	2009 USD'000
Sales	31,445	27,000
Pre-HQ EBITDA	(491)	(3,728)
Post-HQ EBITDA	(1,991)	(3,728)
Net assets	5,310	6,200

Allied is a turnaround investment and is a leading Destination Management Company (DMC) with 26 locations throughout the USA, Europe and the Middle East.

We acquired the business in November 2009 by acquiring all of the senior debt at a substantial discount and providing working capital funding. 2009 represented a low point in the business cycle, and we believe Allied has the potential to grow organically and by acquisition into a major global operation.

We have introduced new management at a senior level, eliminated senior debt and anticipate providing further funding during 2010 to be used for growth and acquisitions. This further investment was £0.9 million from each of Core VCT V plc and Core VCT IV plc, alongside £1 million from Core VCT plc. We continue to hold several discussions over potential merger and acquisition targets.

Colway Limited

Office and graphic supplies

All Core Capital LLP managed funds

First Investment:	Sept-07
Total Cost:	£6,500,000
Total equity held:	64.99%

Core VCT V plc only

Cost:	£1,631,000
Valuation:	£1,746,000
Valuation basis:	Earnings Multiple
% of equity held:	7.5%

Year ended 31 March	2010 £'000	2009 £'000
Sales	18,299	19,533
EBIT	(392)	(1,179)
Loss before tax	(1,153)	(2,589)
Net assets/(liabilities)	3,214	(2,167)

Colway is a long established office and graphic supplies business, with three principal divisions – Business, Systems and Retail.

Following the additional investment made at the end of 2009, Colway has been able to recommence its acquisition strategy, and completed two acquisitions during 2010. Together with growth in underlying EBITDA, this has led to the increase in the valuation compared with both 2009 and the valuation at 30 June 2010. The company has a number of future potential acquisition targets identified.

Manager's Review

Brasserie Bar Co. plc (formerly Brasserie Holdings plc)

Operator of Restaurants

All Core Capital LLP managed funds

First Investment:	Dec-09
Total Cost:	£5,000,000
Total equity held:	38%

Core VCT V plc only

Cost:	£1,000,000
Valuation:	£1,465,000
Valuation basis:	EBITDA
% of equity held:	5.1%

Year ended 27 June	2010	2009
	£'000	£'000
Sales	11,591	10,299
EBIT	258	(378)
Loss before tax	(88)	(587)
Net assets	2,307	2,096

Owns and operates branded restaurants in the premium casual dining segment of the market.

Brasserie Holdings now operates two formats; Brasserie Blanc, the French brasserie business inspired by Raymond Blanc, and the new White Brasserie Company format, a quality pub dining business blending the standards of Brasserie Blanc in local settings in the South of England.

The Company has opened 4 new units during 2010, all of which are trading at or above our expectations, and 2 of which were opened under the new White Brasserie Company format. We hope to open several more units in 2011. The Company reported restaurant EBITDA of £2.34m in the year ended 27 June 2010, ahead of its budget, and the valuation has risen accordingly.

The investment is structured 90% in Loan Notes yielding 7% per annum, and 10% in equity to provide capital gain potential.

Camwatch Limited

CCTV Monitoring Systems

All Core Capital LLP managed funds

First Investment:	Mar-08
Total Cost:	£1,986,000
Total equity held:	14.4%

Core VCT V plc only

Cost:	£993,000
Valuation:	£1,392,000
Valuation basis:	Earnings Multiple
% of equity held:	7.2%

Year ended 31 March	2010	2009
	£'000	£'000
Sales	4,378	3,895
EBIT	142	(3)
Loss before tax	(804)	(776)
Net assets	4,583	4,200

Camwatch is a designer, supplier, and installer of detector activated remote CCTV monitoring systems and provides a 24/7 remote monitoring service for over 20,000 cameras across the UK and abroad.

Camwatch has continued with its investment in its sales capability, and is starting to see the benefits of its joint venture with JCB in placing more camera towers in the field. This investment is held in a junior secured structure, with the majority of our anticipated return being earned through an attractive paid yield.

The increase in valuation reflects the continuing growth in trading and profits in the business.

Ark Home Healthcare Limited

Domiciliary Care

All Core Capital LLP managed funds

First Investment:	Jun-10
Total Cost:	£4,000,000
Total equity held:	11.7%

Core VCT V plc only

Cost:	£1,000,000
Valuation:	£1,000,000
Valuation basis:	Cost
% of equity held:	3.9%

New investment no accounts available.

Ark is a "buy and build" strategy in the domiciliary/homecare sector, focused on the southern half of the UK.

We co-led this investment as part of a total £17.5 million equity commitment in June 2010. Core VCT IV plc and Core VCT V plc each invested £1 million and Core VCT plc invested £2 million. Ark acquired three businesses at completion and has a number of potential future acquisitions at varying stages of negotiation and review. It intends acquiring a further 15-20 businesses over a three year period to build a substantial homecare group.

Georgina Goodman Limited

Ladies shoe design and retail

All Core Capital LLP managed funds

First Investment:	Dec-09
Total Cost:	£406,000
Total equity held:	2.6%

Core VCT V plc only

Cost:	£203,000
Valuation:	£203,000
Valuation basis:	Cost
% of equity held:	1.3%

Year ended 31 October	2009	2008
	£'000	£'000
Sales	1,713	2,152
EBIT	(746)	(156)
Loss before tax	(883)	(62)
Net liabilities	(1,209)	(625)

Georgina Goodman is the designer, wholesaler and retailer of luxury women's shoes branded 'Georgina Goodman'.

The products are targeted at the top end of the luxury market. The management team are seeking to develop 'Georgina Goodman' as an international luxury brand. Wholesale clients include many of the world's leading department stores.

We invested £125,000 alongside Core VCT IV plc and a co-investor introduced by Core Capital in the first £2 million tranche of a £4 million anticipated fundraising by the Company. During the year we invested a further £78,000 to fund working capital. The investment is structured 90% in a loan note with a preferred return and 10% in equity.

Since the year end shareholdings have been restructured, the holding company was placed into administration and restructured. Fresh capital of £2.2 million is to be injected into Georgina Goodman Limited of which Core VCT V plc will contribute £138,000.

Investment Portfolio Summary

for the year ended 31 December 2010

	Date of initial investment	Book cost £'000	Valuation £'000	% of net assets by value
Unquoted Investments				
Allied International Holdings Limited Destination management company	Nov-09	1,952	2,047	20.8
Colway Limited Office and graphics supplies	Sep-07	1,631	1,746	17.7
Brasserie Bar Co. plc (formerly Brasserie Holdings plc) Operator of restaurants in the premium casual dining sector	Dec-09	1,000	1,465	14.9
Camwatch Limited Designer, supplier and installer of detector activated remove CCTV monitoring systems	Mar-08	993	1,392	14.1
Core Mezz II Limited Company preparing to trade in the business services sector	Dec-09	1,000	1,000	10.2
Ark Home Healthcare Limited "Buy & Build" domiciliary care	Jun-10	1,000	1,000	10.2
Georgina Goodman Limited High end ladies shoe design and retail	Dec-09	203	203	2.1
Cording Land LLP Real-estate investment and asset management company	Jul-09	10	10	0.1
Pureleaf Limited (trading as Momentous Moving Excellence) Provider of removal and storage services	Jul-09	5	5	–
Total investments		7,794	8,868	90.1
Net current assets			**978**	**9.9**
Net assets			**9,846**	**100.0**

Board of Directors

Greg Aldridge

Status: Independent, non-executive Director

Date of appointment: 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.

Paul Richards

Status: Non-executive Director

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 is also a partner of Core Capital LLP.

David Harris

Status: Senior Independent Director & Chairman of the Audit Committee

Date of Appointment: 25 August 2010

David is chief executive of InvaTrust Consultancy Ltd, a specialist investment and marketing consultancy group that undertakes a variety of projects within the investment fund management industry. He was previously a director responsible for training, education and marketing issues at the Association of Investment Companies from 1995 to 1999. David is currently a non executive director of The Character Group plc, COBRA Holdings plc, Aseana Properties Ltd, Small Companies Dividend Trust plc, Manchester and London Investment Trust plc, F&C Managed Portfolio Trust plc and SDF Productions Ltd. He was a non executive director of Osprey Smaller Companies Limited up until April 2009 when it was taken over by Manchester and London Investment Trust plc.

Directors' Report

The Directors submit the Annual Report and Accounts of the Company for the year ended 31 December 2010.

Results and Dividends

The results for the year are set out in the attached accounts. The Board is not in a position to pay a final dividend.

Company Number: 5957415

Principal Activity and Status

The Company is registered as a Public Limited Company under the Companies Act 2006. The Company has revoked investment company status in order to effect the payment of capital dividends. The Directors have managed and intend to continue to manage the Company's affairs in such a manner as to comply with Section 274 of the Income Tax Act 2007 which grants approval as a VCT. The Company's shares are listed on the official list and traded on the main market of the London Stock Exchange.

The Company is required to comply with company law, the rules of the UK Listing Authority, UK Accounting Standards, and its Articles of Association.

The Company is a member of the Association of Investment Companies (the 'AIC').

Business Review

Board of Directors

The Board of Directors is responsible for the overall stewardship of the Company, including investment and dividend policies, corporate strategy, corporate governance and risk management. Biographical details of the Directors, all of whom are non-executive, can be found on page 6.

Investment Objective

The investment objective of the Company is to achieve an attractive return 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 plc will invest alongside Core VCT IV plc, and has a co-investment policy with Core VCT plc which is also 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 the Company.

Fund Structure

The Company 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;
- **Provides 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.

Investment Policy

The Company may invest all of 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. 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.

VCT Regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue & Customs. Amongst other conditions, the Company may not invest more than 15% of its VCT value in a single company and must have at least 70% by value of its investments throughout the period in shares or securities comprised in qualifying holdings, of which 30% by value must be ordinary shares which carry no preferential rights.

Risk Management

The Company's assets consist of 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.

Directors' Report

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; and
- 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 substantial borrowings from third party lenders.

Strategy

As part of its strategy, the Board has contractually delegated the management of the investment portfolio and other services to the Manager.

The Company's performance in meeting its objectives is measured against key performance indicators as set out below. A review of the Company's returns during the financial year, the position of the Company at the year-end, and the outlook for the coming year is contained in the Chairman's Statement on page 2 and the Manager's Review on pages 3 to 4, both of which form part of the Business Review.

Principal Risks and Uncertainties and Risk Management

The Board believes that the principal risks faced by the Company are:

- Economic risk – events such as an economic recession and movements in interest rates could affect small companies' valuations.
- Loss of approval as a Venture Capital Trust – the Company must comply with Section 274 of the Income Tax Act 2007 which allows it to be exempted from capital gains tax on investment gains. Any breach of these rules may lead to the Company losing its approval as a VCT.
- Investment and strategic – incorrect strategy, asset allocation, and stock selection could all lead to poor returns for shareholders. The underlying investments may also need significant funding which is not in accordance with VCT legislation.
- Regulatory – breach of regulatory rules could lead to suspension of the Company Stock Exchange Listing, financial penalties or a qualified audit report.
- Operational – failure of the Manager's accounting systems or disruption to the Manager's business could lead to an inability to provide accurate reporting and monitoring, leading to a loss of shareholders' confidence.
- Financial – inadequate controls by the Manager could lead to misappropriation of assets. Inappropriate accounting policies may lead to misreporting or breaches of regulations.

The Board seeks to mitigate and manage these risks through continual review, policy setting, shareholder communication and enforcement of contractual obligations and monitoring progress and compliance. Details of the Company's internal controls are described in more detail on page 12.

Performance and Key Performance Indicators (KPIs)

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)**

  NAV is calculated quarterly, with a full valuation of the unquoted investments carried out every six months in accordance with the International Private Equity and 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 liquidate naturally and distribute all its assets over time. In particular, the Company has a policy to distribute all proceeds from realised investments (the original capital investment 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.

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.

A historical record of these indicators is contained in the Performance Summary on Page 1.

Issue of Shares

As at 31 December 2010 the issued Ordinary Share capital of the Company was £1,102 (2009: £1,102). The number of shares in issue as at 31 December 2010 was 11,024,969 Ordinary Shares (2009: 11,024,969). The holders of Ordinary Shares have voting rights.

Directors and their interests

Biographies of the Directors are shown on page 6.

Paul Richards was appointed to the Board on 6 December 2006 and is also a non-executive Director of Core VCT IV plc. He is also a partner of Core Capital LLP. In accordance with the AIC's Code of Corporate Governance ("AIC Code"), Paul Richards is not deemed independent and will retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-election on an annual basis. In accordance with the Company's Articles Paul Richards has also served the longest and retires by rotation at the forthcoming Annual General Meeting.

David Harris was appointed to the Board on 25 August 2010 and has experience which the Board believes will contribute significantly to its deliberations. In accordance with the AIC Code he will retire at the Annual General Meeting, being the first such meeting following his appointment and, being eligible, offers himself for re-election.

The Board identified David Harris as a suitable candidate to join the Board after consultation with appropriate individuals. Accordingly, there was no open advertising and external search consultants were not appointed.

The Board confirms that, following informal performance evaluations, the performance of each of the Directors offering themselves for re-election continues to be effective and demonstrates commitment to the role. It believes that it is in the interests of shareholders that the Directors are re-elected.

The Directors who held office at the end of the year and their interests in the shares of the Company were:

	2010 Ordinary shares	2009 Ordinary shares
Greg Aldridge	–	–
David Harris (appointed 25 August 2010)	–	–
Paul Richards	5,275	5,275

Ray Maxwell resigned as a Director on 25 August 2010.

There have been no further changes in the holdings of the Directors since 31 December 2010. No options over the share capital of the Company have been granted to the Directors. No Director, apart from David Harris, 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 24. The Directors, apart from Paul Richards, 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 Directors' Report on page 12.

Core Capital LLP took over the Administrator and Company Secretarial functions from Maven Capital Partners UK LLP on 1 July 2010. Core Secretarial Services LLP acts as both Administrator and Company Secretary to the Company under an Agreement dated 24 August 2010. An administration fee of £170,000 (exclusive of VAT) is charged per annum to the Core VCTs and a Fee Percentage (the proportion (represented as a percentage) which the Company's net asset value bears to the aggregate net asset value of all the VCTs is attributed to each VCT. This is a departure from the previous calculation which was a fixed price of £40,000 charged to Core VCT V plc.

Corporate Governance

The Directors of Core VCT V plc have adopted the AIC Code for the year ended 31 December 2010. 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 does 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, 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 Board normally evaluates the performance of each Director formally each year. However, in light of the changes to the composition of the Board it was not considered appropriate to conduct a formal process during the year but to wait until the end of 2011 at which point the new structure will have been in place for more than a year. Consequently, during the year the performance of the Board, Committees and Individual Directors was evaluated through an informal meeting. The Board believes that each Director is independent in character and judgement and that there are no relationships or circumstances which were likely to affect his judgement.

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 David Harris 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.

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.

Audit Committee

The Board has appointed an Audit Committee. The Audit Committee, which is chaired by David Harris, operates within written terms of reference clearly setting out its authority and duties.

The Audit Committee is comprised of the full Board. This is a departure from Principle C.3.1 of the AIC Code which recommends that the constitution of the Audit Committee should be 2 independent Directors plus the Chairman. Paul Richards is a member of the Audit Committee but is not independent. Given the size and structure of the Company the Board is satisfied with the constitution of the Committee.

The duties of the Audit Committee in discharging its responsibilities include reviewing the Financial Statements, the system of internal controls, and the terms of appointment of the auditors together with their remuneration. The objectivity of the auditors is reviewed by the Audit Committee, which also reviews the terms under which the external auditors are appointed to perform non-audit services. It also provides a forum through which the auditors may report to the Board of Directors and meets twice yearly. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors, with particular regards to non-audit fees. Such non-audit fees paid to the Company's auditors, Ernst & Young LLP, amounted to £2,350 for the year ended 31 December 2010 (2009: £2,300 and related to agreed upon procedures with respect to the half yearly accounts and the provision of taxation services). Notwithstanding such services the Audit Committee considers Ernst & Young LLP to be independent of the Company.

Given the size and structure of the Company the Board does not believe it necessary to appoint a Remuneration Committee or Nomination Committee. The roles and responsibilities of these Committees have been included in a schedule of matters specifically reserved for decision by the Board.

During the year ended 31 December 2010 there were four Board meetings and one Audit Committee meeting. All meetings were fully attended.

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 2006, 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.

	Date of appointment	Last re-election	Next retirement by rotation/re-election due
Greg Aldridge	9-Apr-2009	AGM 6 May 2009	AGM 2012
Paul Richards	6-Dec-2006	AGM 6 May 2009	AGM 2011
David Harris	25-Aug-2010	–	AGM 2011

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. Whilst the Company has not been in existence long enough for the Board to consider that this is an issue (having commenced operations in 2007), 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 Paul Richards, were independent of the Manager in the year. In order to comply with Chapter 15 of the UK Listing Rules several Board changes were implemented during the course of the year. Ray Maxwell resigned as non-executive Chairman of Core VCT V plc and Greg Aldridge was subsequently appointed non-executive Chairman of Core VCT V plc and resigned as non-executive Director of Core VCT IV plc. 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 Paul Richards appointment to the Board of Core VCT IV plc does not unduly affect his independence from the Manager due to the parallel investments which both VCTs intend to make. Paul is also a partner of Core Capital LLP and is not included in management contract discussions. 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.

Directors' Report

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 manages and advises the Company so that it ensures that the Company satisfies and continues to satisfy the conditions for approval as a venture capital trust as set out in section 274 of Income Tax Act 2007 (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 regularly reviews the performance of the Manager. Details of the principal investments made by the Company are given in the Manager's Review on pages 3 to 4. 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 24.

The continued appointment of Core Capital LLP as Manager to the Company on the existing terms was approved by the Board, apart from Paul Richards, on 5 April 2011. The Board, apart from Paul Richards, 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 quality of management and levels of staffing, the investment process and the results achieved to date was considered. As noted in the Chairman's Statement and Manager's Review, the requirement of the key 70% qualifying assets tests were met by 31 December 2010.

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 initiates 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 Manager's Review.

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 and up to the date of this report. 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 15 to 16.

Conflicts of Interest

The Companies Act 2006 set out directors' general duties and from 1 October 2008 a Director, under this Act, must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interest. The requirement is very broad and could apply, for example, if a Director becomes a director of another company or a trustee of another organisation. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. The Company's Articles give the Directors authority to approve such situations.

The Company maintains a register of Directors' conflicts of interest which have been disclosed and approved by the other Directors. This register is kept up-to-date and the Directors are required to disclose to the company secretary any changes to conflicts or any potential new conflict.

Relations with Shareholders

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. The Chairman and other Directors are available to meet shareholders if required. The Annual General Meeting of the Company provides a forum both formal and informal, for shareholders to meet and discuss issues with the Directors and Manager of the Company. Details of the resolutions to be proposed at the forthcoming Annual General Meeting on 20 June 2011 can be found in the Notice of Meeting on pages 36 to 37.

Going Concern

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion the Directors have considered the liquidity of the Company and its ability to meet obligations as they fall due for a period of at least twelve months from the date of these financial statements were approved. At 31 December 2010, the Company held cash balances of £1.1 million. Cashflow projections have been reviewed and show that the Company has sufficient funds to meet its contracted expenditure. The Company has no external loan finance in place and therefore is not exposed to any gearing or covenants.

The Directors are considering options available to raise further funding for the underlying portfolio companies. This may, or may not, result in a proposal being put to shareholders, in the future, to restructure the Company.

Share Capital

The Company's capital structure and voting rights are shown in note 13 to the accounts and there are no restrictions on voting rights.

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 re-appointed as Auditors of the Company at the Annual General Meeting held on 20 May 2010 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 to 34.

Substantial Interests in Share Capital

As at 5 April 2011 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.

Directors' Report

Annual General Meeting

A notice and proxy form for the Annual General Meeting of the Company to be held at 10.15 am (or as soon thereafter as the Annual General Meeting of Core VCT IV plc has concluded) on 20 June 2011 at 19 Cavendish Square, London, W1A 2AW are set out on pages 36 to 37 of this Annual Report.

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 7) and the Disapplication of Pre-emption Rights (Resolution 8) under sections 551 and 571 of the Companies Act 2006 ("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. Resolution 7 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. The authority, unless previously renewed or revoked, will expire on the fifth anniversary of the date of the passing of this resolution.

Under section 561 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 8 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.

The authority, unless previously renewed or revoked, will expire on the earlier of the Annual General Meeting of the Company to be held in 2012 and 20 September 2012 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 20 May 2010 respectively. The Directors have no immediate intention of exercising these powers.

Authority to Purchase the Company's Own Shares (Resolution 9)

This resolution authorises the Company to purchase its own shares pursuant to section 701 of the Act.

The authority is limited to a maximum number of 1,652,642 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 2012 and 20 September 2012. 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 ordinary shares 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.

Recommendation

The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Rhonda Nicoll
Company Secretary
5 April 2011

Directors' Remuneration Report

This Report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006. A resolution to approve the Report will be proposed at the Annual General Meeting to be held on 20 June 2011. 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 18. The figures that are audited are indicated as such.

Remuneration Policy

The remuneration policy and the remuneration of individual Directors is determined by the Board as a whole. 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 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 the above policy will continue for the year ending 31 December 2011 and subsequent years.

Details of the Directors' remuneration are disclosed below and in the Notes to the Accounts. In order to comply with Chapter 15 of the UK Listing Authority, several Board changes were implemented during the year to 31 December 2010. The fees are no longer split equally between Core VCT V plc and Core VCT IV plc. From 25 August 2010, the Chairman receives a fee of £15,000. David Harris receives a fee of £12,000 and as Paul Richards is a Director of both Core VCT V plc and Core VCT IV plc his fee of £12,000 is split equally between both VCTs.

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 2006, 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, apart from David Harris, 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 2010 £	Year to 31 December 2009 £
Greg Aldridge	9,169	4,367
David Harris* (appointed 25 August 2010)	4,218	–
Paul Richards	6,000	6,000
Ray Maxwell (resigned 25 August 2010)	4,880	7,500
	24,267	**17,867**

*Includes fees of £3,514 paid to Invatrust Limited

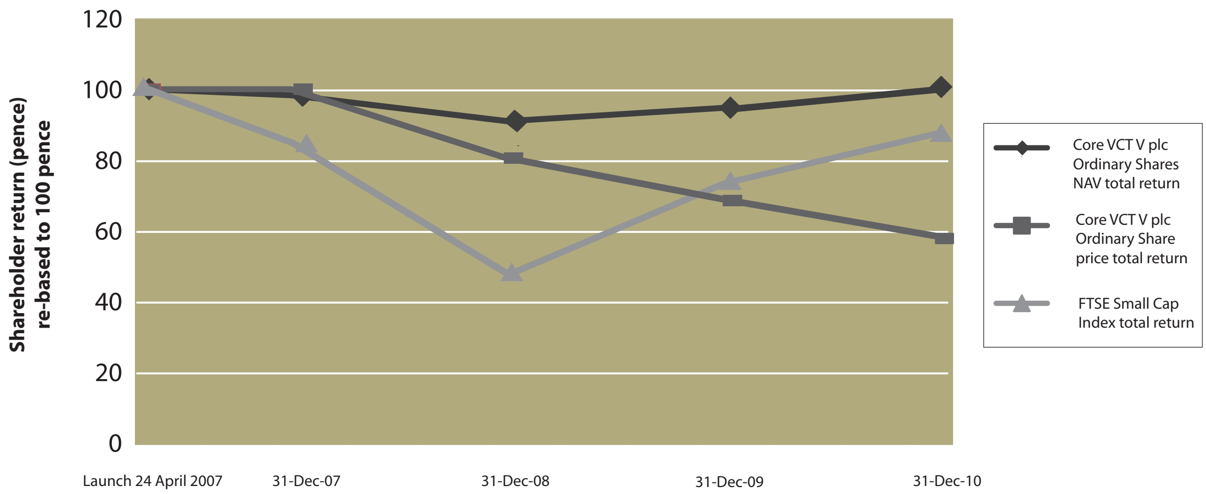
The Company does not have any schemes in place to pay any of the Directors bonuses or benefits in addition to their Directors' fees.

The Directors received no further emoluments in respect of their services. Aggregate fees in respect of qualifying services for all Directors for the year ended 31 December 2010 amounted to £24,267.

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 Small Cap 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 is investment in a selection of established unquoted companies. An explanation of the performance of the Company is given in the Chairman's Statement and the Manager's Review. The NAV 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 Authority compared to the total return of the FTSE Small Cap Index



By order of the Board

Greg Aldridge
Chairman
5 April 2011

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Financial Statements are published on www.core-cap.com a website maintained by Core Capital LLP. The maintenance and integrity of the website is, so far as it relates to the Company, the responsibility of Core Capital LLP. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- The Directors' Report includes a fair view 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 it faces.

On behalf of the Board

Greg Aldridge
Chairman
5 April 2011

Independent Auditor's Report to the Members of Core VCT V plc

We have audited the financial statements of Core VCT V plc for the year ended 31 December 2010 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 Auditor

As explained more fully in the Statement of Directors' Responsibilities on page 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, on page 13, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Caroline Gulliver (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

5 April 2011

Income Statement

for the year ended 31 December 2010

	Notes	Revenue £	Year ended 31 December 2010 Capital £	Total £	Revenue £	Year ended 31 December 2009 Capital £	Total £
Movement in investment holdings	9	–	874,297	874,297	–	208,224	208,224
(Losses)/gains on disposal of investments	9	–	(3,157)	(3,157)	–	138,480	138,480
Exchange differences		–	84	84	–	–	–
Income	2	201,814	–	201,814	223,771	–	223,771
Transaction costs and investment management expenses	3	(305)	(44,860)	(45,165)	(2,122)	(16,845)	(18,967)
Other expenses	4	(223,518)	–	(223,518)	(147,288)	–	(147,288)
Return on ordinary activities before taxation		**(22,009)**	**826,364**	**804,355**	**74,361**	**329,859**	**404,220**
Tax on ordinary activities	6	460	–	460	(16,070)	3,138	(12,932)
Return attributable to equity shareholders		**(21,549)**	**826,364**	**804,815**	**58,291**	**332,997**	**391,288**
Return per Ordinary Share	8	**(0.20p)**	**7.50p**	**7.30p**	**0.53p**	**3.02p**	**3.55p**

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

There were no other gains or losses in the year ended 31 December 2010.

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 22 to 34 form an integral part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 December 2010

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Opening balance at beginning of year	9,096,471	9,421,806
Net return for the year	804,815	391,288
Dividends paid – revenue	(55,124)	(165,375)
Dividends paid – capital	–	(551,248)
Closing Shareholders' funds at 31 December 2010	**9,846,162**	**9,096,471**

Balance Sheet

as at 31 December 2010

	Notes	31 December 2010 £	£	31 December 2009 £	£
Non-current assets					
Investments at fair value	9		8,867,758		7,253,947
Current assets					
Debtors and prepayments	11	63,778		1,237,326	
Cash at bank	17	1,129,187		735,249	
			1,192,965		1,972,575
Creditors: amounts falling due within one year	12		(214,561)		(130,051)
Net current assets			978,404		1,842,524
Net assets			**9,846,162**		**9,096,471**
Capital and reserves					
Called up Ordinary Share capital	13		1,102		1,102
Capital reserve	14		(44,617)		(870,981)
Special distributable reserve	14		9,854,246		9,854,246
Revenue reserve	14		35,431		112,104
Total equity shareholders' funds			**9,846,162**		**9,096,471**
Net asset value per 0.01p Ordinary Share	15		**89.31p**		**82.51p**

The notes on pages 22 to 34 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 5 April 2011 and were signed on its behalf by:

Greg Aldridge

Director

Cash Flow Statement

for the year ended 31 December 2010

	Notes	Year ended 31 December 2010 £	£	Year ended 31 December 2009 £	£
Operating activities					
Investment income received		180,615		291,220	
Investment management fees paid		(3,471)		(10,706)	
Other cash payments		(251,974)		(441,774)	
Net cash outflow from operating activities	16		(74,830)		(161,260)
Taxation					
UK Corporation paid			(11,596)		(25,554)
Investing activities					
Acquisition of investments	9	(2,035,159)		(9,390,205)	
Disposal of investments	9	1,370,563		8,182,330	
Exchange differences		84		–	
Net cash outflow from financial investment			(664,512)		(1,207,875)
Equity dividends paid			(55,124)		(716,623)
Called up share capital received			1,200,000		1,700,000
Net cash inflow/(outflow) before financing			393,938		(411,312)
Increase/(decrease) in cash	17		393,938		(411,312)

The notes on pages 22 to 34 form part of these financial statements.

Notes to the Accounts

for the year ended 31 December 2010

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current year, is set out below:

(a) **Basis of accounting**

The accounts have been prepared under the fair value rules of the Companies Act 2006, and in accordance with applicable accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', issued in January 2009.

The Directors have considered the future cash flows of the Company and are satisfied that it is appropriate to prepare the financial statements on a going concern basis. In forming this opinion, the cashflow projections of the Company were reviewed and confirmed that the Company had sufficient funds to meet its contracted expenditure.

The Directors are considering the options available to raise further funding for the underlying portfolio companies and this may involve restructuring the VCT. This may, or may not, result in a proposal being put to shareholders in the future to restructure the Company.

(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 return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

(c) **Investments**

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

Unquoted investments are valued by the Directors in accordance with the following rules, which are consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines published in 2009:

(i) Investments which have been made recently are at fair value, which unless another methodology gives a better indication of fair value, will be at cost.

(ii) Investments in companies at an early stage of their development are also valued at fair value, which unless another methodology gives a better indication of fair value, will be at cost.

(iii) Investments which have been held for more than 12 months and which 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 discounted to reflect lack of marketability to that company's maintainable earnings (the ratio used being based on a comparable listed company or sector). Where overriding factors apply, alternative methods of valuation will be used. These may include the application of a material arms length transaction by an independent third party, cost, cost less provision for impairment, discounted cash flow, or a net asset basis.

(iv) Where a value is indicated by a material arms-length transaction by a third party in the shares of the Company, this value can be used.

(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.

(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.

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 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

	2010 £	2009 £
Income from investments		
– from loan stock	197,057	147,660
– from fixed income	145	74,213
	197,202	221,873
Interest income		
Bank interest	4,612	1,898
	201,814	223,771
Total income		
Fixed income	145	74,213
Loan stock interest	197,057	147,660
Bank interest	4,612	1,898
	201,814	223,771
Income from investments comprises		
Fixed Income securities	145	74,213
Unlisted UK securities	197,057	147,660
	197,202	221,873

Notes to the Accounts

for the year ended 31 December 2010

3 Transaction costs and investment management expense

	Revenue 2010 £	Capital 2010 £	Total 2010 £	Revenue 2009 £	Capital 2009 £	Total 2009 £
Third Party – transaction costs	–	43,945	43,945	–	10,479	10,479
Credit Suisse – management fees	305	915	1,220	2,122	6,366	8,488
Total	305	44,860	45,165	2,122	16,845	18,967

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 two 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.

For the year ending 31 December 2010, no performance fee was due to the Manager.

The Manager has also agreed to ensure that the annual operating cost of the Company do not exceed an annual amount being 1.5% of the gross funds raised under the Offer (excluding transaction costs and trail commission).

Third party transaction costs arose from 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 2010 is £43,945 (2009: £10,479).

Credit Suisse (UK) was appointed to manage the cash assets of the Company until such time as the assets were deployed by the Manager. This agreement was terminated on 19 May 2010.

4 Other expenses

	2010 £	2009 £
Directors' remuneration (including NIC) (see note 5)	26,042	19,158
IFA trail commission	89,851	18,374
Administration fees	20,043	41,156
Share Price Listings	3,384	3,358
Auditors' fees – audit	17,706	18,169
– other services	2,350	2,300
Taxation services	2,883	2,930
Registrar's fees	4,503	4,037
Printing	8,220	7,022
Legal and professional fees	28,305	14,737
Directors' insurance	3,096	3,036
Subscriptions	11,726	11,821
Sundry	2,278	1,190
Brokerage	3,131	–
	223,518	147,288

Charges for non-audit services provided by the auditors for the year ended 31 December 2010 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 Audit Committee reviews the nature and extent of non-audit services to ensure that independence is maintained.

5 Directors' remuneration

	2010 £	2009 £
Directors' emoluments		
Greg Aldridge	9,169	4,367
David Harris	4,218	–
Paul Richards	6,000	6,000
Ray Maxwell (resigned 25 August 2010)	4,880	7,500
	24,267	17,867
Employer's NIC and VAT	1,775	1,291
	26,042	19,158

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.

6 Taxation on ordinary activities

	Year ended 31 December 2010 Revenue £	 Capital £	 Total £	Year ended 31 December 2009 Revenue £	 Capital £	 Total £
(a) Analysis of charge in the year						
Corporation tax	–	–	–	15,593	(3,537)	12,056
(Over)/underprovision in previous year	(460)	–	(460)	477	399	876
Charge for the year	(460)	–	(460)	16,070	(3,138)	12,932

The tax assessed for the period is lower than the standard rate of corporation tax (28%). The differences are explained below.

	Year ended 31 December 2010 Revenue £	 Capital £	 Total £	Year ended 31 December 2009 Revenue £	 Capital £	 Total £
(b) Factors affecting tax charge for year						
Return on ordinary activities before taxation	(22,009)	826,364	804,355	74,361	329,859	404,220
Return on ordinary activities multiplied by standard rate of corporation tax 28%	(6,163)	231,382	225,219	20,821	92,360	113,181
Movement in investment holding	–	(244,803)	(244,803)	–	(58,303)	(58,303)
Net sale of investments	–	884	884	–	(38,774)	(38,774)
Exchange differences	–	(24)	(24)	–	–	–
Non-deductable expenses	877	–	877	(21)	–	(21)
Prior year adjustment	(460)	–	(460)	477	399	876
Smaller Companies Relief	–	–	–	(5,207)	1,180	(4,027)
Increase in excess management expenses	5,286	12,561	17,847	–	–	–
	(460)	–	(460)	16,070	(3,138)	12,932

Venture Capital 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 £17,210 (2009: nil) arising as a result of having utilised management expenses. It is unlikely that the Company will obtain tax relief for these in the future, so no deferred tax asset has been recognised.

Notes to the Accounts

for the year ended 31 December 2010

7 Dividends and other appropriations

No final dividend has been prepared for the year ended 31 December 2010 (2009: 0.5p).

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.

	2010 £	2009 £
Revenue available for distribution by way of dividends for the year	–	58,291
No final dividend is proposed for 2010 (2009: 0.5p)	–	55,124

8 Return per Ordinary Share

	2010 £	2009 £
Total return from ordinary activities after taxation:	804,815	391,288
Basic return per share (note a)	**7.30p**	**3.55p**
Net revenue from ordinary activities after taxation	(21,549)	58,291
Revenue return per share (note b)	**(0.20)p**	**0.53p**
Net capital return from ordinary activities after taxation	826,364	332,997
Capital return per share (note c)	**7.50p**	**3.02p**
Weighted average number of shares in issue in the year	11,024,969	11,024,969

Notes

(a) Basic earnings per share is total earnings after taxation divided by the weighted average number of shares in issue during the year.

(b) Revenue return per share is net revenue after taxation divided by the weighted average number of shares in issue during the year.

(c) Capital return per share is total capital return divided by the weighted average number of shares in issue during the year.

9 Investments

All investments are designated fair value through profit and loss at initial recognition, therefore all gains and losses arise on investments designated at fair value through profit or loss.

Financial Reporting Standard 29 'Financial Investments: Disclosures' (the Standard) requires an analysis of investments valued at fair value based on the reliability and significance of the information used to measure their fair value. The level is determined by the lowest (that is the least reliable of independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

- Level 1 – investments quoted in an active market.
- Level 2 – investments whose fair value is based directly on observable current market prices or indirectly being derived from market prices.
- Level 3 – investments whose fair value is determined using a valuation technique based on assumptions that are not supported by observable current market prices or based on observable market data.

	Listed (Level 1) £	Unlisted (Level 3) £	Total £
Cost at 31 December 2009	669,126	6,699,324	7,368,450
Investment holding (losses)/gains at 31 December 2009	(313,380)	198,877	(114,503)
Valuation at 31 December 2009	355,746	6,898,201	7,253,947
Purchases at cost	–	2,113,234	2,113,234
Sale proceeds	(352,589)	(1,017,974)	(1,370,563)
Net losses on sale of investments	(3,157)	–	(3,157)
Unrealised losses realised during the year	(313,380)	–	(313,380)
Movement in investment holding gains	313,380	874,297	1,187,677
Closing valuation at 31 December 2010	–	8,867,758	8,867,758
Cost at 31 December 2010	–	7,794,584	7,794,584
Investment holding gains at 31 December 2010	–	1,073,174	1,073,174
Valuation at 31 December 2010	–	8,867,758	8,867,758

Core Mezz 1 Limited was utilised during the year to fund an investment in Ark Home Healthcare Limited totalling £1 million.

Purchases at cost includes deferred consideration of £77,450 and other creditors of £625. Reducing these amounts from the purchases at cost reconciles to the acquisition of investments totalling £2,035,159.

Notes to the Accounts

for the year ended 31 December 2010

10 Significant interests

At 31 December 2010 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 %
Allied International Holdings Limited	1,452,298	500,000	1,952,298	21.65%
Ark Home Healthcare Limited	300,.000	700,000	1,000,000	3.89%
Brasserie Bar Co. plc	100,002	899,998	1,000,000	5.10%
Camwatch Limited	292,460	700,000	992,460	7.20%
Colway Limited	1,131,450	500,000	1,631,450	7.50%
Core Mezz II Limited	1,000,000	–	1,000,000	49.99%

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 investments. Instead, the investment is accounted for at fair 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 plc and Core VCT IV plc that have made investments to 31 December 2010 in the following companies:

Company	Core VCT plc £	Core VCT IV plc £	Total at cost £	% of equity held by funds managed by Core Capital LLP %
Allied International Holdings Limited	1,994,589	1,952,298	3,946,887	52.20
Ark Home Healthcare Limited	2,000,000	1,000,000	3,000,000	11.70
Brasserie Bar Co. plc*	2,559,714	1,000,000	3,559,714	38.00
Camwatch Limited	–	992,460	992,460	14.40
Colway Limited*	2,153,827	1,631,450	3,785,277	64.99
Core Mezz II Limited	–	1,000,000	1,000,000	49.99

*Core VCT plc merger cost rather than investment cost has been provided.

11 Debtors

	2010 £	2009 £
Amounts due within one year:		
Accrued income	51,619	30,420
Prepayments	12,159	6,906
Called up share capital unpaid	–	1,200,000
	63,778	1,237,326

12 Creditors: amounts falling due within one year

	2010 £	2009 £
UK Corporation tax	–	12,056
Other creditors	137,075	59,000
Accruals	77,486	58,995
	214,561	130,051

13 Called up share capital

	2010 £	2009 £
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

As at 5 April 2011 the Company's issued share capital was 11,024,969 ordinary shares, carrying one vote each.

14 Share capital and reserves

	Called up share capital £	Capital reserve investments sold £	Capital reserve investments held £	Special distributable reserve £	Revenue reserve £	Total £
As at 1 January 2010	1,102	(756,478)	(114,503)	9,854,246	112,104	9,096,471
Losses on investments sold	–	(3,157)	–	–	–	(3,157)
Movement in investment holdings	–	–	874,297	–	–	874,297
Transfer of prior years' revaluation of capital reserve	–	(313,380)	313,380	–	–	–
Capitalised management fees	–	(44,860)	–	–	–	(44,860)
Exchange differences	–	84	–	–	–	84
Dividends – revenue	–	–	–	–	(55,124)	(55,124)
Net revenue	–			–	(21,549)	(21,549)
At 31 December 2010	1,102	(1,117,791)	1,073,174	9,854,246	35,431	9,846,162

15 Net asset value per share

Net asset value per Ordinary Share is based on net assets at the end of the year of £9,846,162 (2009: £9,096,471), and on 11,024,969 Ordinary Shares (2009: same), being the number of Ordinary Shares in issue on that date.

Notes to the Accounts

for the year ended 31 December 2010

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

	2010 £	2009 £
Return on ordinary activities before taxation	804,355	404,220
Gains on investments	(871,140)	(346,704)
Exchange differences	(84)	–
Increase in debtors	(5,253)	(299,920)
(Increase)/decrease in accrued income	(21,199)	56,168
Amortisation of fixed income	–	11,281
Increase in creditors and accruals	18,491	13,695
Net cash outflow from operating activities	(74,830)	(161,260)

17 Analysis of changes in net funds

	2010 £	2009 £
At beginning of year	735,249	1,146,561
Cash flows	393,938	(411,312)
At 31 December 2010 – cash at bank (net funds)	1,129,187	735,249

18 Financial Instruments

The Company's financial instruments in both years comprised:

- Equity and fixed and floating interest rate 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 2010:

	2010 (Fair value) £	2009 (Fair value) £
Assets at fair value through profit and loss		
Investments managed by Core Capital LLP (Unlisted – Level 3)	8,867,758	6,898,201
Investments managed by Credit Suisse (Listed – Level 1)	–	355,746
Cash at bank	1,129,187	735,249
Loans and receivables		
Called up share capital unpaid	–	900,000
Accrued income	51,619	30,420
Other debtors	12,159	306,906
Other creditors	(214,561)	(130,051)
	9,846,162	9,096,471

The Company's investment portfolio consists of unquoted investments representing 90% (2009: 76%) of net assets. This portfolio has a 100% (2009: 100%) concentration of risk towards small UK based, sterling denominated companies. The Credit Suisse portfolio was fully realised during the year.

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. As, in a number of cases, 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 7. 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 VCT value of 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.

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.

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 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 return and net assets if there were to be a 15% movement in overall share prices of unquoted investments for the year would have been an increase or decrease of £1,330,164 (2009: £1,034,730).

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:

	2010 £	2009 £
Financial assets/liabilities		
Securities	5,384,945	4,589,448
Loan stock investments	3,482,813	2,664,499
Called up share capital unpaid	–	900,000
Accrued income	51,619	30,420
Other debtors (including prepayments)	12,159	306,906
Cash and cash equivalents	1,129,187	735,249
Total	10,060,723	9,226,522

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.

£51,619 of the accrued income shown above was due within 3 months of the year end.

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

	2010 £	2009 £
Repayable within		
5 years	3,482,813	2,664,499
Total	3,482,813	2,664,499

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.

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.

Interest rate risk

The Company's fixed and floating interest rate 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.

The Company's assets include fixed and floating interest rate 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 2010 was:

	Financial assets/ liabilities on which no interest paid £	Fixed rate financial assets £	Floating rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity	5,384,945	–	–	5,384,945		
Loan stock	–	3,482,813	–	3,482,813	9.40	3.53
Cash	–	–	1,129,187	1,129,187		
Debtors	63,778	–	–	63,778		
Creditors	(214,561)	–	–	(214,561)		
Total	5,234,162	3,482,813	1,129,187	9,846,162		

The interest rate profile of the Company's financial net assets at 31 December 2009 was:

	Financial assets/ liabilities on which no interest paid £	Fixed rate financial assets £	Floating rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity	4,589,448	–	–	4,589,448		
Loan stock	–	2,664,499	–	2,664,499	12.05	4.01
Cash	–	–	735,249	735,249		
Debtors	1,237,326	–	–	1,237,326		
Creditors	(130,051)	–	–	(130,051)		
Total	5,696,723	2,664,499	735,249	9,096,471		

Floating rate cash earns interest based on LIBOR rates.

Interest rate sensitivity

Although the Company holds investments in loan stocks that pays interest, the Board does not believe that the income of these instruments is interest rate sensitive, as the majority of the loan is at a fixed rate 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 all creditors and accruals are due within one year and are comfortably covered by cash held and short term debtors.

Currency risk

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

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 company 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 one business segment, investment holding, and one geographical segment, in the United Kingdom.

21 Post balance sheet event

Since the year end, Core Mezz II Limited was partially utilised to purchase Better at Homes Limited totalling £575,000. This investment is VCT qualifying. The holding company of Georgina Goodman Limited was placed into administration as part of a restructuring. Fresh capital of £2.2 million is to be injected and Core VCT V plc will continue to support the business with an additional £138,000 of funding. £51,000 of this funding was committed during February 2011 with the remainder to be drawn over the next 3 months.

22 Related party transactions

Paul Richards is a partner of Core Capital LLP, the Manager. Details of the carried interest arrangements between the Company and the Manager are set out in Note 3.

Shareholder Enquiries:

Shareholder Information

Dividends

Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a Mandate Form for this purpose. Mandates can be obtained by telephoning the Company's registrar, Share Registrars Limited (see back of cover for details).

Share Price

The Company's Ordinary Shares are listed on the London Stock Exchange. The mid price of the Company's Ordinary Shares is given daily in the Financial Times in the Investment Companies section of the London Share Service. Share price information can also be obtained from many financial websites. The ticker code is CR5.

Notification of Change of Address

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's registrar, Share Registrars Limited, under the signature of the registered holder.

Trading Shares

The Company's Ordinary Shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange via a stockbroker. The primary market maker for Core VCT V plc is Matrix Corporate Capital.

Investment in VCTs should be seen as a long-term investment and Shareholders selling their shares within five years of original purchase may lose any tax reliefs claimed. Investors who are in any doubt about selling their shares should consult their independent financial adviser.

Please call Core Capital LLP (see details below) if you or your adviser have any questions about the process.

Financial Calendar

20 June 2011	Annual General Meeting
August 2011	Announcement of interim results and posting of half yearly report
March 2011	Announcement of final results for year to 31 December 2011

Enquiries

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

Stephen Edwards	Tel: 020 3179 0919 or by email	Stephen.Edwards@Core-Cap.com
Walid Fakhry	Tel: 020 3179 0915 or by email	Walid.Fakhry@Core-Cap.com

For shareholder enquiries please contact the Company Secretary at Core Capital LLP:

Rhonda Nicoll	Tel: 020 3179 0930 or by email	Rhonda.Nicoll@Core-Cap.com

Core VCT V plc is managed by Core Capital LLP which is authorised and regulated by the FSA. Past performance is not a guide to future performance. Stock markets may cause the value of investments to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility may increase the risk to the value of the investment.

CORE VCT V PLC

(Registered in England and Wales No. 5957415)

NOTICE of the ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fifth Annual General Meeting of the Company will be held at 10.15 am (or as soon thereafter as the Annual General Meeting of Core VCT IV plc has been concluded or adjourned) on 20 June 2011 at 19 Cavendish Square, London W1A 2AW 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 2010, together with the Auditors' report thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2010 as set out in the Annual Report and Accounts of the Company for the year ended 31 December 2010.
3. To re-appoint Ernst & Young LLP of 1 More London Place, London SE1 2AF as Auditor.
4. To authorise the Directors to determine the remuneration of the Auditor.
5. To re-elect David Harris, who retires at the first Annual General Meeting following his appointment, as a Director.
6. To re-elect Paul Richards, who retires annually, as a Director.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as an Ordinary Resolution:

7. THAT in substitution for any existing authorities pursuant to section 551 of the Companies Act 2006 ("the 2006 Act") the Directors be generally and unconditionally authorised, in accordance with the 2006 Act to:

   (i) that the Directors be, and they are hereby, generally and unconditionally authorised under Section 551 of the 2006 Act to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £276 being approximately 25% of the issued share capital of the Company as at 5 April 2011, provided that this authority shall expire on 20 June 2016 (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 shares as aforesaid to be allotted after the expiry of such authority and the directors may allot shares or grant rights accordingly as if the authority conferred thereof had not expired.

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

8. THAT in substitution for any existing authorities pursuant to section 571 of the 2006 Act the Directors be and they are hereby empowered to allot equity securities (as defined in section 560 of the 2006 Act) for cash pursuant to the authority conferred upon them by resolution 7 above as if section 561(1) of the 2006 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 2012 or, if earlier, on 20 September 2012 (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:

9. THAT the Company be and is hereby authorised in accordance with section 701 of the 2006 Act to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of the ordinary shares of 0.01 pence each in the Company provided that:

   (i) (i) the maximum aggregate number of ordinary shares authorised to be purchased is 1,652,642 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 2012 or, if earlier, on 20 September 2012 (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.

BY ORDER OF THE BOARD

Rhonda Nicoll

Secretary

Registered Office
Core Secretarial Services LLP
103 Baker Street, London W1U 6LN

5 April 2011

NOTICE of the ANNUAL GENERAL MEETING

NOTES:

1. Copies of Directors' letter of appointments will be available for inspection at the place of the AGM for 15 minutes prior to and during the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), Members must be registered in the Register of Members of the Company at 10.15 am on 17 June 2011 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member, but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Company's registrars, Share Registrars Limited (telephone 01252 821390) or you may photocopy the proxy form. Please indicate in the box next to the proxy holder's name, the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided, if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
5. A reply paid form of proxy is enclosed with Shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL so as to be received not later than 48 hours before the time appointed for the meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
6. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same share:

   (a) If they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; or

   (b) If they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.
7. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
8. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 3 and 4 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
9. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
10. As at 5 April 2011 the Company's issued share capital consists of 11,024,969 Ordinary Shares. The total number of votes in the Company is 11,024,969.
11. A copy of the Notice of Annual General Meeting and the information required by Section 311A Companies Act 2006 is included on the Company's website, www.core-cap.com.
12. Section 319A of the Companies Act 2006 requires the directors to answer any question raised at the AGM which, relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting.

    Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses, Any statement required to be placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

    By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.

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 10.15 am on 20 June 2011 at 19 Cavendish Square, London W1A 2AW 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 7 are proposed as ordinary resolutions and resolutions 8 to 9 are proposed as special resolutions, as follows:

Resolution	For	Against	Vote withheld
ORDINARY BUSINESS			
1. To approve the Annual Report and Accounts for the year ended 31 December 2010.			
2. To approve the Directors' Remuneration Report for the year ended 31 December 2010.			
3. To re-appoint Ernst & Young LLP as independent Auditor.			
4. To authorise the Directors to determine the remuneration of the Auditor.			
5. To re-elect David Harris as a Director of the Company.			
6. To re-elect Paul Richards as a Director of the Company.			
SPECIAL BUSINESS			
7. To authorise the Directors to allot Ordinary Shares.			
8. To authorise the Directors to disapply pre-emption rights of members (special resolution).			
9. To authorise the Company to make market purchases of Ordinary Shares (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 48 hours 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.

Corporate Information

Directors
Greg Aldridge (Chairman)
Paul Richards
David Harris*
*(Senior Independent Director and Chairman of the Audit Committee)

Registered office
103 Baker Street
London
W1U 6LN

Secretary and administrator
Rhonda Nicoll
Core Secretarial Services LLP
103 Baker Street
London
W1U 6LN

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

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

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

Receiving Agent
The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh
EH2 1DF

Solicitors
Howard Kennedy
19 Cavendish Square
London
W1A 2AW

Auditor
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

Company No : 5957415

www.core-cap.com

Unsolicited calls to Shareholders

We are aware of cases of shareholders having received unsolicited phone calls concerning investment matters. Please note that it is very unlikely that either the investment manager, Core Capital LLP or the Company Registrar, Share Registrars Limited, would make unsolicited telephone calls to shareholders and that any such calls would relate to official documentation already in circulation to shareholders and never in respect of "investment advice". Furthermore, please be assured that the Company limits access to the Company's share register by third parties to the maximum extent permissable under the Companies Act 2006. If you receive any unsolicited phone calls or correspondence about which you have concerns, please contact Rhonda Nicoll, the Company Secretary.