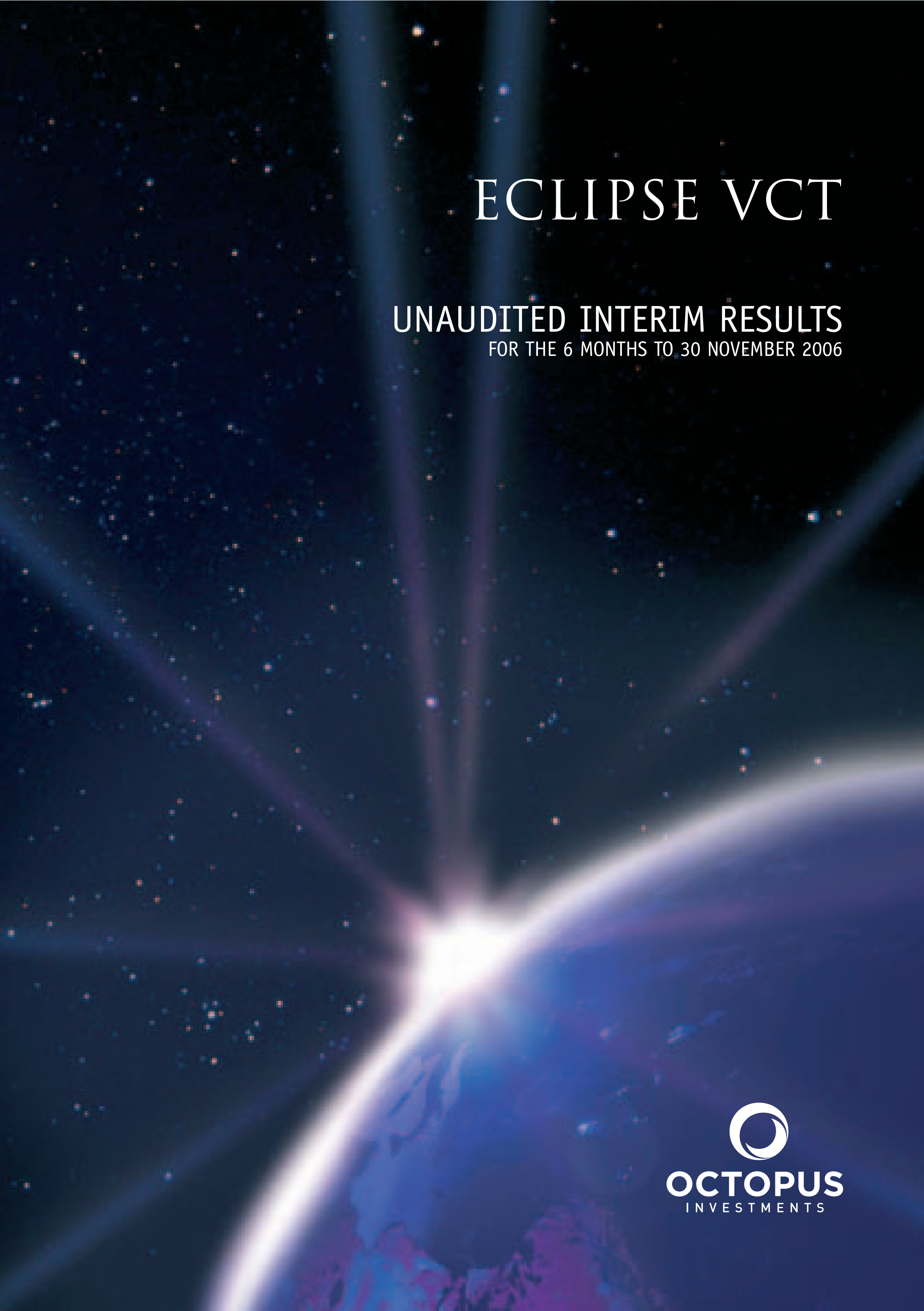


ECLIPSE VCT

UNAUDITED INTERIM RESULTS

FOR THE 6 MONTHS TO 30 NOVEMBER 2006

OCTOPUS INVESTMENTS

Contents

Financial Highlights

	30 November 2006	30 November 2005	31 May 2006
Net assets	**£35,232,000**	**£29,449,000**	**£30,165,000**
Net asset value per share	**113.5p**	**94.2p**	**96.8p**
Revenue return after tax	**£191,000**	**£134,000**	**£442,000**
Revenue return per share*	**0.6p**	**0.4p**	**1.4p**
Total return/(loss) per share*	**17.9p**	**(1.1)p**	**1.4p**

* Based on a weighted average of 31,152,062 shares in issue during the period (30 November 2005: 31,264,560 and 31 May 2006: 31,240,517).

Eclipse VCT plc ('Eclipse' or 'Fund') is a Venture Capital Trust ('VCT') and the investments are managed by Octopus Investments Limited ('Octopus' or 'Manager'). Eclipse was launched in April 2004 and raised over £30.7 million (£29.7 million net of expenses) through an offer for subscription. It invests primarily in unquoted and AIM-quoted companies and aims to deliver absolute returns on its investments.

Chairman's Statement

It gives me great pleasure to present the interim results for the six months ended 30 November 2006. The first six months of the accounting period have seen a strong performance from both the unquoted and AIM portfolios, resulting in a substantial increase in the net asset value of the Fund.

Background

Eclipse was one of the most successful VCTs launched in 2004 by funds raised, raising over £30 million by December 2004. Since then, Octopus has added a number of experienced fund managers to its team of investment professionals and has also launched three further Eclipse funds (Eclipse 2, 3 and 4), taking the total funds raised by the Eclipse VCTs to £106 million. These successful fund launches should benefit shareholders in Eclipse VCT as they will enable Octopus to invest up to £4 million per company (i.e. £1 million from each of the four VCTs) in a single tax year. This will allow Octopus to invest in more developed, lower–risk companies than typical VCTs.

Net Asset Value ('NAV')

The NAV per share at 30 November 2006 was 113.5p, an increase of 17% since 31 May 2006. During the period to 30 November 2006, eight new investments were made in unquoted and AIM-quoted companies, meaning that at the end of the period under review, Eclipse had a portfolio of 34 investments in qualifying companies, representing 67.1% of the Fund. In the period to 31 January 2007 the portfolio has seen further uplift in the AIM holdings taking the NAV to 117.6p per share.

Unquoted investment portfolio

Four new unquoted investments were made in the six months to 30 November 2006 at a cost of £3.5 million. The overall value of the portfolio of 17 unquoted investments was £19.5 million representing an increase of 33% compared with a cost of £14.6 million.

I am pleased to report that six unquoted investments have increased in value based on the growth in underlying earnings of each company. We are particularly pleased with the performance of Gyro, which has grown strongly since our first investment in February 2004. A follow-on investment in Gyro was made in October 2006, to support growth and acquisitions. Covion, Plastics Capital, Luther Pendragon, TDX and James Harvard have also been written up in value to reflect the strong performance of the underlying businesses.

Partial provisions have been made against three investments, where the underlying performance is below expectations. Details of the valuations are shown in further detail within the Investment Manager's review.

AIM investment portfolio

I am pleased to report that the AIM portfolio has performed well during what has been a volatile period for AIM. It is worth emphasising however that much of the market's volatility during the period has been as a result of performance within sectors in which the Fund does not invest including overseas companies, the natural resources sectors and online gaming companies.

The overall value of the portfolio of 17 AIM investments was £6.7 million representing an increase of 38% compared with a cost of £4.8 million.

Chairman's Statement (continued)

Dividend

The Fund is coming to the end of its initial investment period when dividends are largely derived from interest earned on the un-invested cash held in money market securities. As the Fund makes investments, the level of cash declines, therefore reducing the interest available for dividends. At this point in the Fund's life cycle, the ability to pay dividends is derived from investment realisations. Further dividends will be paid as the investment manager realises profits on holdings where they believe they have reached maximum benefit.

Share Price and Buy-Back Facility

Eclipse has a share buy-back facility, proposing to buy-back shares at no more than a 10% discount to the prevailing NAV. This should assist the marketability of the shares and help prevent the shares from trading at a wide discount to NAV. The Fund's mid-market share price currently stands at 90p.

In the period under review, Eclipse repurchased 121,900 shares at an average price of 88p per share. Shareholders should note that if they sell their shares within three years of the original purchase they forfeit any income tax relief obtained. If you need to sell your shares, please contact Octopus on 020 7710 2800.

VCT Qualifying Status

Eclipse must be 70% invested in qualifying companies by 31 May 2007, and maintain this level on a day by day basis thereafter, in order to comply with VCT regulations. The Directors continue to monitor the Fund's progress towards meeting and maintaining HM Revenue and Customs conditions for VCT approval and have retained PricewaterhouseCoopers LLP, one of the UK's leading firms of accountants, to advise in this area.

At 30 November 2006, Eclipse was approximately 67.1% invested in qualifying holdings. Three further investments have been made since the year end. In light of the current deal flow we are confident that Eclipse will meet the relevant VCT regulations by its deadline of 31 May 2007 and be able to maintain them thereafter.

Outlook

Eclipse is now approaching the end of the initial investment period and has built a broad portfolio of investments in unquoted and AIM-quoted investments. Our intention is to build on this progress in the coming period by focusing on generating value from the existing portfolio of investments, while also making further investments from the flow of attractive opportunities that the Manager is seeing.

The early signs from the portfolio are very encouraging and I expect to be able to update you on further good progress in the coming months.

Viscount Cobham
Chairman
9 February 2007

Investment Manager's Review

We are delighted to report substantial progress across the portfolio over the last six months. Since 31 May 2006 the net assets of the fund have increased by 17% to £35.2 million. This represents a net asset value of 113.5p per share, an uplift of 16.7p. The total return of the Fund after adding back cumulative dividends of 2.7p equates to 116.2p per share, compared to an initial investment cost of 60p after the 40% tax relief. In the period to 31 January 2007 the fund has continued to see an uplift in its AIM portfolio taking the NAV to 117.6p per share.

During the six months to 30 November 2006 the Fund invested a further £5.7 million in eight new companies and several follow-on investments. This takes the total invested by Eclipse VCT to almost £19.5 million, with unrealised gains on investment of £6.6 million taking the value of the portfolio to over £26 million, an increase of more than 33% on cost. A further three investments have been made since the year end.

Qualifying Status

VCTs have three years to invest 70% of the money raised into qualifying companies. We are pleased to report that, at 30 November 2006, two and a half years through the three year period, Eclipse was 67.1% invested in qualifying companies. With the additional investments made since the end of the period, the proportion of qualifying investments has increased to 68.8%.

Review of Investments

At 30 November 2006, the Eclipse portfolio comprised investments in 17 AIM-quoted and 17 unquoted companies. The remainder of the Fund was invested in money market securities.

Once we have made an investment, we take an active approach in monitoring its performance. This includes regular meetings with management teams and, in the case of most unquoted investments, attending board meetings of the portfolio companies. We are keen to invest in additional rounds of funding in portfolio companies, where we are familiar with the qualities of the management team and where the performance has been closely monitored.

Portfolio Activity

During the period, the Fund made eight new investments. These investments are discussed below:

Worthington Nicholls Group plc

Worthington Nicholls is one of the UK's largest air conditioning contractors providing services to the hotel, retail and leisure sectors. The three divisions that the company operates through are the project management, design and installation of machines, the maintenance of machines, and ventilation hygiene. The company listed on AIM in June 2006 after raising £7.5 million.

Investment Manager's Review (continued)

First Sports Group Limited
In June 2006 Eclipse invested alongside Eclipse VCT 2 in a £2 million fundraising for First Sports Group ('FSG'). FSG provides and manages retail solutions within sports and leisure clubs. The company's clients include Esporta, Holmes Place and David Lloyd.

CSL Dualcom Limited
Eclipse invested £857,000 alongside the other Eclipse funds to finance the £6 million management buy out of CSL Dualcom. CSL is a leading supplier of dual path alarm signalling devices.

Adrenalin Design Limited
Adrenalin Design was formed to acquire the fast growing fashion brand, Golddigga, which is aimed at girls aged between 15 and 25. The company, which is based in Derby, was founded in 1997. The brand is sold through 650 outlets across the UK and Europe. We introduced new management as part of the transaction to support the existing team. The strategy is to focus on growing domestic and overseas sales through increased investment in marketing and sales support.

Audio Visual Machines Limited
Audio Visual Machines is a leading audio visual systems integrator and service provider. It works with some of the UK's leading businesses including BP, PwC and Lloyds TSB and delivers everything from a simple projector installation through to a fully integrated video conferencing suite to its clients. Funding was provided to finance the management buy out of the business.

Brulines (Holdings) plc
Brulines is a provider of draught beer dispense monitoring, volume and revenue protection systems for over 16,000 pubs in the UK. The company listed on AIM in October 2006 having raised £7 million.

Concateno plc
Concateno was created as a vehicle to identify and acquire companies in the support services and utility sectors. Concateno recently announced the acquisition of Medscreen, a company specialising in drug and alcohol testing in key market sectors such as the maritime sector and Her Majesty's Prisons.

Hasgrove plc
Hasgrove is an integrated communications group with operations in four European countries, delivering solutions in public relations, public affairs, advertising, design and online marketing.

Portfolio Valuation

At 30 November 2006, the Fund's portfolio comprised investments in 34 companies with a total cost of £19.5 million and a carrying value of £26.1 million. The Fund also held £8.6 million in cash and money market securities awaiting investment in qualifying holdings.

Unquoted investments	**Investment at Cost £'000**	**Unrealised appreciation/ (depreciation) £'000**	**Carrying Value £'000**
Gyro International Limited	1,748	1,725	3,473
Covion Limited	844	1,237	2,081
James Harvard International Limited	1,000	1,061	2,061
Luther Pendragon Limited	1,000	595	1,595
Plastics Capital Limited	1,000	440	1,440
Perfect Pizza Limited	1,125	–	1,125
The Kendal Group Limited	1,024	–	1,024
Reading Room Limited	1,000	–	1,000
Adrenalin Design Limited	910	–	910
Dualcom Holdings Limited	858	–	858
Other unquoted investments	4,137	(248)	3,889
	14,646	4,810	19,456
AIM-quoted investments			
Tanfield Group plc	505	677	1,182
Worthington Nicholls Group plc	468	510	978
Cello Group plc	751	150	901
Zetar plc	242	356	598
InterQuest Group plc	342	167	509
Hasgrove plc	400	33	433
Augean plc	500	(103)	397
Healthcare Locums plc	300	22	322
Autoclenz Holdings plc	338	(24)	314
fountains plc	240	(44)	196
Other AIM-quoted investments	731	94	825
	4,817	1,838	6,655
	19,463	6,648	26,111

Investment Manager's Review (continued)

Ten Largest Holdings

Gyro International Limited

Gyro, which was founded in 1991, provides an integrated suite of marketing services including brand strategy, direct marketing, web marketing and event management. The company is one of Europe's leading independent integrated marketing companies, and clients include Sony, Sun Microsystems, Orange and Deutsche Bank. Eclipse led a £3 million funding round in February 2005 in which it invested £1 million. A further £6 million funding round was led in which Eclipse invested £748,000 and other Octopus funds also invested. Part of the latest round may be used to finance acquisitions.

Gyro has offices in London, Geneva, Stockholm, Amsterdam, New York, Dublin, Hamburg and San Francisco and has recently acquired an agency in Paris. Gyro was ranked the number one B2B agency in the UK in 2005 and 2006.

The company has performed well since our investment with sales increasing from £11 million in 2004 to over £25 million in the last financial year and, based on strong trading results, the carrying value has been increased.

Further information can be found at the company's website, www.gyrointernational.com.

Investment date	*10 February 2005*
Equity held	*10.6%*
Cost	*£1,748,000*
Valuation	*£3,473,000*
Valuation basis	*Earnings multiple*
Dividends/interest received during the period	*Nil*
Last audited accounts	*October 2005*
Net assets	*£3,831,000*
Loss before taxation	*£(66,000)*

Covion Limited

Covion provides a full range of support services, including cleaning, security and maintenance work for clients such as LogicaCMG, Sara Lee and Domestic & General.

The company now has annualised sales of more than £32 million and in the year to December 2006 has grown both turnover and profit by 60% year on year. This growth underpins the increase in the valuation as Covion will be sold on a current contracted run rate.

Covion continues to be one of the 100 fastest growing companies in the UK (Source: Sunday Times Fast Track 100 December 2006).

Further information can be found at the company's website, www.covion.co.uk.

Investment date	*27 May 2005*
Equity held	*10.1%*
Cost	*£844,000*
Valuation	*£2,081,000*
Valuation basis	*Earnings multiple*
Dividends/interest received during the period	*£62,500*
Last audited accounts	*December 2005*
Net assets	*£1,412,000*
Profit before taxation	*£787,000*

James Harvard International Limited

James Harvard ('JHI') is one of the leading recruitment agencies in the growing, but fragmented, European clinical trials market. The funds raised were used to acquire EXCO, thereby extending the range of functional areas covered by James Harvard as well as providing access to a broader range of clients. Since completion of our investment, JHI has made a further modest acquisition, ASA Medical, from Hotgroup. Performance has been significantly ahead of our expectations, with proforma profits more than doubling over the last year. As a result we have increased our valuation to reflect this.

Further information can be found at the company's website, www.jamesharvard.com.

Investment date	*30 November 2005*
Equity held	*10.9%*
Cost	*£1,000,000*
Valuation	*£2,061,000*
Valuation basis	*Earnings multiple*
Dividends/interest received during the period	*£18,000*
Last audited accounts	*December 2005*
Net assets	*£1,214,240*
Profit/(loss) before taxation	*Not available*

Investment Manager's Review (continued)

Luther Pendragon Limited

Luther provides a fully integrated corporate public relations service specialising in 'issues management', which involves developing communications strategies to combat any potential risks to a client's reputation or to influence public perception to achieve a strategic goal. The company was established in 1992 and has grown to 45 partners and staff. The company has a range of public sector and blue chip private sector clients from a range of industries.

Luther traded ahead of budget during 2006, which enabled the Company to repay more bank debt than forecast. As a result we have increased the valuation of the Fund's investment to £1,595,000.

Further information can be found at the company's website, www.luther.co.uk.

Investment date	*30 November 2005*
Equity held	*19.2%*
Cost	*£1,000,000*
Valuation	*£1,595,000*
Valuation basis	*Earnings multiple*
Dividends/interest received during the period	*Nil*
Last audited accounts	*December 2005*
Net assets	*£1,921,000*
Profit before taxation	*£702,000*

Plastics Capital Limited

Plastics Capital was set up to build a group of niche plastics manufacturing companies, each with a strong market position and good cash generation characteristics. The group currently comprises three separate businesses with factories located in Knaresborough, Leicester, Dartford and Poole with an aggregate turnover in excess of £15 million.

The first company acquired was Bell Plastics, which manufactures plastic mandrels for use in the manufacturing process for high pressure hoses. Our funding was used to acquire Trimplex, a company that manufactures creasing matrices for cardboard box manufacturing, and BNL, which manufactures plastic bearing components. The company has performed in line with budget, increasing earnings by 17% since we invested. We have therefore uplifted the valuation.

Investment date	*30 November 2005*
Equity held	*11.8%*
Cost	*£1,000,000*
Valuation	*£1,440,000*
Valuation basis	*Earnings multiple*
Dividends/interest received during the period	*Nil*
Last audited accounts	*March 2006*
Net assets	*£2,027,000*
Loss before taxation	*£(20,000)*

Tanfield Group plc
Tanfield has a range of subsidiaries that are focused on providing zero emission vehicles and industrial products. Smith Electric Vehicles is one of the largest manufacturers of electric vehicles in the world with more than 500 customers operating both in the private and public sectors. Norquip is one of the world's leading providers of ground support equipment in the form of airport service vehicles and passenger transfer units. Aerial Access is a manufacturer of electrically powered aerial lifts and access platforms. Complementary to Aerial Access is its Upright subsidiary, which specialises in scissor lifts and is globally renowned.

Further information can be found at the company's website, www.tanfieldgroup.com.

Investment date	*26 May 2005*
Equity held	*0.55%*
Cost	*£505,000*
Valuation	*£1,182,000*
Valuation basis	*AIM investment*
Dividends/interest received during the period	*Nil*
Last audited accounts	*December 2005*
Net assets	*£11,800,000*
Profit before taxation	*£2,000,000*

Perfect Pizza Limited
Perfect Pizza is the third largest pizza delivery business in the UK with 114 franchised stores throughout the country. The home delivery pizza market is expected to continue to be a growth area as a result of the long-term trend away from home cooking.

Further information can be found at the company's website, www.perfectpizza.co.uk.

Investment date	*8 March 2006*
Equity held	*15.4%*
Cost	*£1,125,000*
Valuation	*£1,125,000*
Valuation basis	*Cost (New Investment)*
Dividends/interest received during the period	*£45,500*
First audited financial information	*Will be available for the period to 28 February 2007*

Investment Manager's Review (continued)

The Kendal Group Limited

The Kendal Group is the holding company for the Zoggs and PureLime brands.

Zoggs is a leading swim equipment and swimwear brand, founded in Australia and well known for its swim goggles and flotation aids. It has recently introduced swimwear to the range. Further information is available at www.zoggs.com.

PureLime is a ladies fitness and active wear brand, originally from Denmark. Further information is available at www.purelime.com.

The company generates a high proportion of its sales through fitness centres and swimming pool locations and is starting to gain distribution through retail outlets such as Tesco and Early Learning Centre. The Zoggs brand has a significant presence in Australia and plans to grow through licensing in other countries.

Further information can be found at the company's website, www.thekendalgroup.com.

Investment date	*18 November 2005*
Equity held	*10.2%*
Cost	*£1,024,000*
Valuation	*£1,024,000*
Valuation basis	*Cost (New Investment)*
Dividends/interest received during the period	*Nil*
Last audited accounts	*December 2005*
Net assets	*£1,375,000*
Loss before taxation	*£(727,000)*

Reading Room Limited

Reading Room designs, develops and maintains websites for its clients. The company is known for its integrated approach to digital communications, media and marketing and has a broad client base including GlaxoSmithKline, Ernst and Young, and the trainline.com. In 2006 Reading Room won a prestigious award for the best charity website for Cancer Research UK to add to a long list of similar awards.

Reading Room has offices in London, Manchester and Sydney and has increased its staffing level from 53 to 109 since our investment.

Further information can be found at the company's website, www.readingroom.com.

Investment date	*7 April 2005*
Equity held	*26.7%*
Cost	*£1,000,000*
Valuation	*£1,000,000*
Valuation basis	*Cost*
Dividends/interest received during the period	*£16,500*
Last audited accounts	*March 2006*
Net assets	*£1,170,000*
Profit before taxation	*£37,000*

Worthington Nicholls plc

Worthington Nicholls is one of the UK's largest air conditioning contractors providing services to the hotel, retail and leisure sectors. The three divisions that the company operates through are the project management, design and installation of machines, the maintenance of machines, and ventilation hygiene. The company listed on AIM in June 2006 after raising £7.5 million.

Further information can be found at the company's website, www.worthington-nicholls.co.uk.

Investment date	*12 June 2006*
Equity held	*0.47%*
Cost	*£468,000*
Valuation	*£978,000*
Valuation basis	*AIM Investment*
Dividends/interest received during the period	*Nil*
First audited financial information	*Will be available for the period to 30 September 2006*

Recent Transactions

Since the end of the period under review, we have completed 3 new investments:

Hexagon Human Capital Limited

Hexagon is a recruitment firm established in 2004 with a strategy for growth by acquisition. To date the company has bought three executive search businesses and created a joint venture with a fourth.

In December 2006 we provided the company with £2.5 million of funding, alongside £10 million from Barclays Bank, to finance the acquisition of a fifth business, BIE, which is the UK's leading interim management business. The enlarged group now has a complementary balance between executive search and interim management, which should give it greater stability in the event of a market downturn.

Vertu Motors plc

Vertu Motors is an acquisition vehicle that has been set up with the intention of acquiring and growing retail motor businesses. The company floated on AIM in December 2006, raising £25 million.

NPI Media Group Limited

NPI Media Group is the UK market leader in the publishing of distinctive 'local interest' history books. In January 2007, Eclipse provided £1.5 million as part of a £5.5 million investment from the Eclipse funds. Funding was provided to facilitate the acquisitions of NPI's two largest competitors, Sutton Publishing Limited and Jarrold Publishing, to make it the dominant player within its publishing niche.

Investment Manager's Review (continued)

Summary of investments made by other funds managed by Octopus Investments Limited

It is a requirement that Octopus discloses if some of its other funds are also invested in any of the Eclipse VCT portfolio companies. Details of these are shown below.

	% equity held by Eclipse VCT	% equity held by other funds managed by Octopus
Audio Visual Machines Limited	11.90	33.10
Augean plc	0.42	1.62
Autoclenz Holdings plc	2.60	10.25
BBI Holdings plc	0.26	3.35
Blanc Brasseries Holdings plc	1.24	2.06
Brulines Holding plc	0.50	2.10
Capital Pubs Company 2 plc	2.50	5.70
Cello Group plc	2.18	4.40
Cohort plc	0.28	1.58
Concateno plc	0.27	2.33
Covion Limited	9.60	4.90
Dualcom Holdings Limited	11.50	28.50
First Sports Group Limited	20.00	20.00
fountains plc	1.29	2.62
Golddigga Limited	11.00	31.90
Gyro International Limited	10.60	7.60
Hasgrove plc	1.79	7.17
Healthcare Locums plc	0.58	0.68
InterQuest plc	2.17	2.26
Invocas plc	0.19	1.07
James Harvard International	10.00	15.00
Lilestone Holdings Limited	18.10	10.70
Luther Pendragon Limited	17.50	17.50
Ovum plc	0.49	2.77
Perfect Pizza Limited	15.40	19.60
Plastics Capital Limited	11.50	9.20
Red-M Group Limited	3.60	5.74
The Kendal Group Limited	10.22	5.74
The Tanfield Group plc	0.55	4.39
Tissue Science Laboratories plc	0.27	0.27
Worthington Nicholls plc	0.47	5.22
Zetar plc	1.12	1.18

Personal Service

At Octopus, we pride ourselves not only on our team's track record but also on our personalised customer service. We believe in open communication and our regular updates are designed to keep you involved and informed.

If you have any questions about this review, or if it would help to speak to one of the fund managers, please do not hesitate to contact us on 020 7710 2800.

Simon Rogerson
Chief Executive

Income Statement

	Six months ended 30 November 2006 Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	–	1	1
Unrealised gains on investments	–	5,593	5,593
Income	538	–	538
Investment management fees	(89)	(266)	(355)
Other expenses	(213)	–	(213)
Return on ordinary activities before taxation	236	5,328	5,564
Taxation	(45)	45	–
Return on ordinary activities after taxation	191	5,373	5,564
Basic and diluted return per share	0.6p	17.3p	17.9p

- The total column of this statement is the profit and loss account of the Company.
- All revenue and capital items in the above statement derive from continuing operations.
- The accompanying notes are an integral part of the interim financial information.
- The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market securities.

	Six months ended 30 November 2005			Year to 31 May 2006	
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	–	–	–	–	–
–	(279)	(279)	–	424	424
463	–	463	1,028	–	1,028
(87)	(263)	(350)	(174)	(524)	(698)
(184)	–	(184)	(308)	–	(308)
192	(542)	(350)	546	(100)	446
(58)	58	–	(104)	99	(5)
134	(484)	(350)	442	(1)	441
0.4p	(1.5)p	(1.1)p	1.4p	0.0p	1.4p

Reconciliation of movements in shareholders' funds

	30 November 2006 £'000	30 November 2005 £'000	31 May 2006 £'000
Equity shareholders' funds as at 1 June 2006	30,165	29,911	29,911
Total gains and (losses) recognised in period	5,564	(350)	441
Shares purchased for cancellation	(107)	(11)	(87)
Dividends recognised in period	(390)	(453)	(453)
Shareholders' funds at 30 November 2006	35,232	29,449	30,165

Balance Sheet

	As at 30 November 2006 £'000	As at 30 November 2006 £'000	As at 30 November 2005 £'000	As at 30 November 2005 £'000	As at 31 May 2006 £'000	As at 31 May 2006 £'000
Fixed asset investments		26,111		11,670		14,948
Current assets						
Investments	8,224		16,010		13,657	
Debtors	583		515		448	
Cash at bank	392		1,328		1,157	
	9,199		17,853		15,262	
Creditors: amounts falling due within one year	(78)		(74)		(45)	
Net current assets	9,121			17,779		15,217
Net assets		35,232		29,449		30,165
Called up equity share capital		3,105		3,126		3,117
Special distributable reserve		26,409		26,603		26,516
Capital redemption reserve		25		4		13
Capital reserve realised		(991)		(505)		(725)
Capital reserve unrealised		6,380		84		787
Revenue reserve		304		137		457
Total equity shareholders' funds		35,232		29,449		30,165
Net asset value per share		113.5p		94.2p		96.8p

Cash flow statement

	Six months ended 30 November 2006 £'000	£'000	Six months ended 30 November 2005 £'000	£'000	Year to 31 May 2006 £'000	£'000
Net cash (outflow) from operating activities		(229)		(436)		(436)
Financial investment:						
Purchase of investments	(5,730)		(5,228)		(7,631)	
Sale of investments	258		–		–	
Net cash outflow from financial investment		(5,472)		(5,228)		(7,631)
Management of liquid resources:						
Decrease in cash funds		5,433		7,289		9,642
Taxation		–		–		(45)
Equity dividends paid		(390)		(453)		(453)
Financing:						
Repurchase of own shares	(107)		(11)		(87)	
Total financing		(107)		(11)		(87)
Increase in cash resources		(765)		1,161		990

Reconciliation of operating profit to net cash inflow from operating activities

	30 November 2006 £'000	30 November 2005 £'000	31 May 2006 £'000
Profit/(loss) on ordinary activities	5,564	(350)	446
Increase in debtors	(135)	(366)	(300)
Increase in creditors	33	1	14
(Increase)/decrease in capital value of investments	(5,593)	279	(424)
Unrealised loss on current asset investments	(98)	–	(172)
Net cash inflow from operating activities	(229)	(436)	(436)

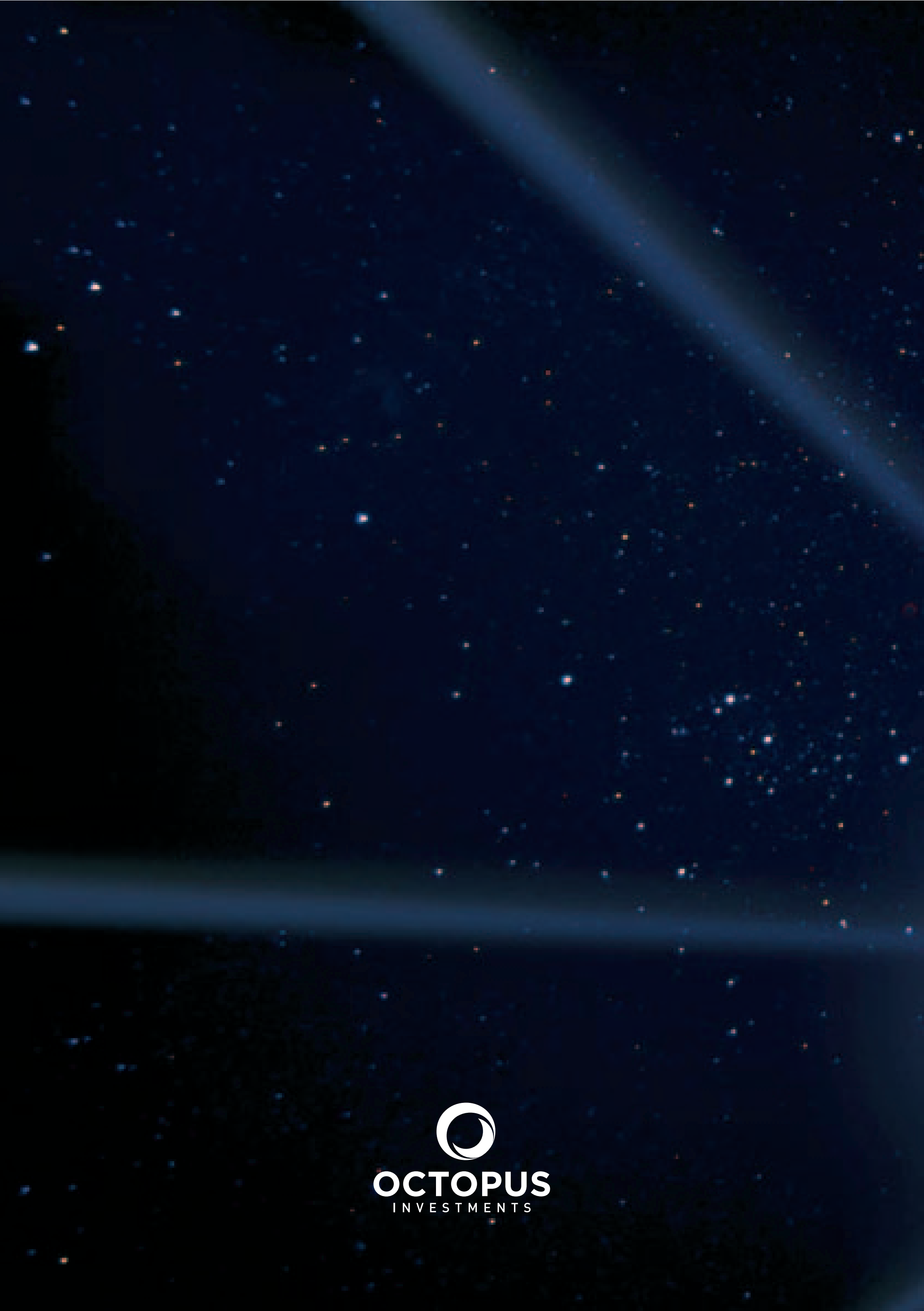
Notes to the interim results

1. Principal accounting policies
   The unaudited interim results for the six months ended 30 November 2006 and the period ended 30 November 2005 do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 and have not been delivered to the Registrar of Companies. The comparative figures for the period ended 31 May 2006 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditors' report on those financial statements under Section 235 of the Companies Act 1985 was unqualified.

2. The calculation of the revenue and capital return per share is based on the return on ordinary activities after tax for the period and on 31,152,062 ordinary shares, being the weighted average number of shares in issue during the period from 1 June 2006 to 30 November 2006. (November 2005: 31,264,560 and May 2006: 21,240,517).

3. The calculation of net asset value per share is based on the net assets at 30 November 2006 and on 31,047,165 (November 2005: 31,256,780 and May 2006: 31,169,065) being the number of shares in issue at the same date. It should be noted that the value of shares awaiting issue are excluded from this calculation.

4. Copies of this statement are being sent to all shareholders. Copies are available from the registered office of the Company at 8 Angel Court, London, ECR2 7HP.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