Company Registration No. 3654040

CLOSE BROTHERS DEVELOPMENT VCT PLC

Interim accounts for the six months to

30 June 2001

Deloitte & Touche
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

REPORT AND ACCOUNTS 30 JUNE 2001

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Independent review report on the interim information

Independent review report to Close Brothers Development VCT PLC

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2001 which comprises the [profit and loss account], the balance sheet, the cash flow statement and related notes 1 to 6. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reason for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2001.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants
Stonecutter Court
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London EC4A 4TR

19 September 2001

Unaudited Statement of Total Return
(incorporating the profit and loss account)
for the six months to 30 June 2001

	Note	Six months to 30 June 2001			Six months to 30 June 2000			Year to 31 December 2000		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		-	(897)	(897)	-	4	4	-	652	652
Income	3	497	-	497	441	-	441	937	-	937
Investment management fees		(40)	(121)	(161)	(40)	(121)	(161)	(81)	(244)	(325)
Other expenses		(53)	(15)	(68)	(55)	(15)	(70)	(99)	(30)	(129)
Return on ordinary activities before tax		404	(1,033)	(629)	346	(132)	214	757	378	1,135
Tax on ordinary activities		(108)	36	(72)	(82)	32	(50)	(187)	67	(120)
Return attributable to shareholders		296	(997)	(701)	264	(100)	164	570	445	1,015
Dividends	4	(232)	-	(232)	(205)	-	(205)	(550)	-	(550)
Transfer to/(from) reserves	6	64	(997)	(933)	59	(100)	(41)	20	445	465
Return per share		2.0 p	(6.8) p	(4.8) p	1.8 p	(0.7) p	1.1 p	3.9 p	3.0 p	6.9 p

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

Unaudited Summary Balance Sheet
at 30 June 2001

	Note	30 June 2001 £'000	30 June 2000 £'000	31 December 2000 £'000
Fixed asset investments	5			
Qualifying		6,094	1,874	3,566
Non-Qualifying		4,498	10,480	8,983
		10,592	12,354	12,549
Current assets				
Debtors		64	84	87
Short term money market deposits		2,958	1,708	2,037
		3,022	1,792	2,124
Creditors: due within one year		(391)	(458)	(476)
Net current assets		2,631	1,334	1,648
Net assets		13,223	13,688	14,197
Represented by:	6			
Called up share capital		7,308	7,331	7,331
Special reserve		6,552	6,590	6,593
Capital redemption reserve		23	-	-
Capital reserve				
realised		(492)	(296)	(398)
unrealised		(259)	(3)	644
Profit and loss account		91	66	27
Total equity shareholders' funds		13,223	13,688	14,197
Net asset value per share		90.4 pence	93.4 pence	96.8 pence

These interim accounts were approved by the Board of Directors on 19 September 2001.
Signed on behalf of the Board of Directors by

R M Davidson
Chairman

Unaudited Cash Flow Statement
for the six months to 30 June 2001

	Six months ended 30 June 2001 £'000	Six months ended 30 June 2000 £'000	Year ended 31 December 2000 £'000
Operating activities			
Investment income received	337	205	560
Deposit interest received	53	178	206
Investment management fees paid	(167)	(161)	(322)
Other cash payments	(64)	(71)	(135)
Net cash inflow from operating activities	159	151	309
Taxation			
UK corporation tax paid	-	-	(18)
Capital expenditure and financial investments			
Purchase of investments	(3,350)	(5,494)	(6,594)
Disposals of investments	4,495	-	1,500
Net cash inflow/(outflow) from investing activities	1,145	(5,494)	(5,094)
Equity dividends paid			
Dividends paid on ordinary shares	(342)	(219)	(425)
Net cash inflow/(outflow) before financing	962	(5,562)	(5,228)
Financing			
Cancellation of share premium	-	-	(5)
Purchase of own shares	(41)	-	-
Net cash outflow from financing	(41)	-	(5)
Increase/(decrease) in cash and cash equivalents	921	(5,562)	(5,233)

NOTES TO THE ACCOUNTS
Six months ended 30 June 2001

1. ACCOUNTING POLICIES

The interim results are prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (SORP). The presentation adopted enables the Company to report in a manner consistent with the sector within which it operates and give a true and fair view.

Accounting convention

The interim results are prepared under the historical cost convention, modified by the revaluation of certain investments.

Investments

Listed investments are stated at market value based upon middle market prices at the accounting period end. Unquoted investments are stated at a valuation determined by the directors in accordance with British Venture Capital Association guidelines. The unrealised depreciation or appreciation on the valuation of investments and gains and losses arising on the disposal of investments are dealt with in the capital reserve.

Income and expenses

All income and expenses are treated on the accruals basis and dividend income is included in revenue when an investment is quoted ex-dividend. The fixed returns on non-equity shares and on debt securities are recognised on a time apportionment basis so as to reflect the effective yield of the shares and debt securities respectively.

Management charge

75 per cent. of management and administrative fees, representing the proportion of investment management fees and other costs attributable to the enhancement of the value of the investments of the company, are charged to non-distributable capital reserves net of corporation tax relief, and inclusive of any related irrecoverable value added tax. The balance of all other expenses has been charged to income.

Deferred taxation

Deferred taxation is provided by the liability method on timing differences, except where there is reasonable probability that such liability will not arise in the foreseeable future.

2. PRINCIPAL ACTIVITY

The principal activity of the Company is that of a venture capital trust. The Company is an investment company within the meaning of s266, Companies Act 1985.

3. INCOME

	Six months ended 30 June 2001 £'000	Six months ended 30 June 2000 £'000	Year ended 30 December 2000 £'000
Interest from securities	376	296	697
Dividend income	-	-	5
Other income	85	19	66
Bank deposit interest	36	126	169
	497	441	937

4. DIVIDEND

The interim dividend of 1.60 pence per Ordinary Share (2000: 1.40 pence per share), amounting to £233,855 will be paid on 26 October 2001 to shareholders who are registered on 28 September 2001. The Company received dividends upon shares repurchased for cancellation amounting to £1,445.

NOTES TO THE ACCOUNTS
Six months ended 30 June 2001

5. FIXED ASSET INVESTMENTS

	Qualifying Unlisted £'000	Non-qualifying Listed £'000	Total £'000
Opening valuation at 1 January 2001	3,566	8,983	12,549
Additions at cost	3,350	-	3,350
Disposal proceeds	-	(4,495)	(4,495)
Realised profit on disposal	-	6	6
Increase in redemption premium	85	-	85
Increase / (decrease) in unrealised appreciation	(907)	4	(903)
Closing valuation at 30 June 2001	6,094	4,498	10,592
Opening book cost	2,850	8,983	11,833
Closing book cost	6,200	4,494	10,694
Opening unrealised appreciation	716	-	716
Closing unrealised appreciation/(depreciation)	(106)	4	(102)

6. MOVEMENT IN SHARE CAPITAL AND RESERVES

	Share capital £'000	Special reserve £'000	Capital redemption reserve £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 January 2001	7,331	6,593	-	(398)	644	27	14,197
Purchase of own shares	(23)	(41)	23	-	-	-	(41)
Net gains/(losses) on investments	-	-	-	6	(903)	-	(897)
Costs charged to capital (net of tax)	-	-	-	(100)	-	-	(100)
Retained net revenue for the period	-	-	-	-	-	64	64
Balance at 30 June 2001	7,308	6,552	23	(492)	(259)	91	13,223