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Financial Summary

	6 months ended 30 September 2003 (unaudited)	6 months ended 30 September 2002 (unaudited)	Year ended 31 March 2003
Net asset value at period end before distributions	60.37p	64.35p	56.54p
Net asset value after distributions	60.37p	64.35p	56.54p
Total return for the period	3.83p	(3.34)p	(11.16)p

Directors and Advisers

DIRECTORS

M Teacher
D Svendsen
G Woolfinan
N Metcalfe

All directors are non-executive

COMPANY SECRETARY

M A Lassman LLB FCA

REGISTERED OFFICE

19 Cavendish Square
London
W1A 2AW

SOLICITORS

Howard Kennedy
19 Cavendish Square
London
W1A 2AW

AUDITORS

Grant Thornton
1 Westminster Way
Oxford
OX2 0PZ

INVESTMENT MANAGERS

Cavendish Asset Management Limited
Chelsea House
Westgate
London
W5 1DR
Tel: 020 8991 4577
Email: info@etehevct.com

REGISTRARS

Northern Registrars Limited
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0LA

VCT TAXATION ADVISERS

PricewaterhouseCoopers
1 London Bridge
London
SE1 9QL

Registered in England, Company No. - 03930317

Chairman's Report

The results for the six months ended 30 September 2003 are in line with the Board's expectations bearing in mind the challenges faced by companies within the technology sector and telecommunications marketplace. The accounts for the period show a net loss of £9,000 (first half year profit 2002: £3,000). When taking into account the realised and unrealised gains on both the listed and unlisted investments, there is an overall positive return of £521,000 (2002: negative return of £455,000). The shareholders' funds at 30 September were £8.214 million representing 60.37p per share. This represents a recovery per share of 3.83p in comparison to the year end position at 31 March 2003.

The six month period was a difficult time in the marketplace for many of our investee companies. However, there was some significant recovery within our listed technology stocks, in line with a market recovery. Whilst there is still volatility in this sector the Board decided to increase investment in the listed portfolio by a small amount bringing the value of the technology stocks portfolio to 8.3% of net assets at the period end. We are also pleased that we are able to report a net improvement in the market value of the quoted (AIM) qualifying investments. Overall we are able to report a net improvement in the unrealised value of the investments held during the period of £611,000.

During the period we continued to examine investment opportunities and have increased investment in the qualifying portfolio by some £600,000 as a result of follow-on financing of Burgundy Global and Jacobs Rimell. We will continue to look at follow-on for our current investments where we feel this is appropriate.

After the period end our entire holding in Heritage Image Partnership was acquired by Sarantel. This was completed by way of share exchange which resulted in a follow-on further investment in Sarantel at a minimum valuation of £125,000, and further details in respect of this transaction will be provided within the year end accounts.

We remain cautious with our investment policy both in regard to the qualifying investments and also the listed portfolio, both managed by Cavendish Asset Management ("CAM"). As a result, we have only made some small adjustments to the portfolios although we do review them on a regular basis, as well as examining opportunities for additional qualifying investments. Our holding in gilts remains the largest part of our non qualifying assets. We continue to monitor the qualifying investment position to ensure that the 70% VCT investment and other criteria are met.

Whilst remaining cautious, we believe the outlook for technology related investment is more optimistic, with slow recovery expected during next year. The telecommunications sector however remains far more difficult, and it appears unlikely that there will be any form of recovery from this sector during the next twelve months. We continue to help and support our qualifying investments in order that they can achieve the best possible results so that despite challenges in their marketplaces, the investments nonetheless deliver value in due course.

Michael Teacher

CHAIRMAN
11 November 2003

eTechnology VCT plc
Statement of Total Return (incorporating the revenue account)

	Unaudited		
	6 months		
	ended 30 September 2003		
	Revenue	Capital	Total
	£000	£000	£000
Gains / (losses) on investments			
- Realised	-	(23)	(23)
- Unrealised	-	611	611
Income	79	-	79
Investment management fee	(57)	(38)	(95)
Other expenses	(31)	(20)	(51)
	(9)	530	521
Net return before finance costs and taxation			
	(9)	530	521
Return on ordinary activities before and after taxation (nil)			
	(9)	530	521
Return attributable to equity shareholders			
Dividends	-	-	-
Transfer to reserves	(9)	530	521
Return per ordinary share – basic and diluted	(0.07)p	3.90p	3.83p

eTechnology VCT plc
Statement of Total Return (incorporating the revenue account)

(Continued)

	Unaudited 6 months to 30 September 2002			Audited Year ended 31 March 2003		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Gains / (losses) on investments						
- Realised	-	28	28	(19)		(19)
- Unrealised	-	(456)	(456)	(1,427)		(1,427)
Income	125	-	125	208	-	208
Investment management fee	(76)	(19)	(95)	(97)	(64)	(161)
Other expenses	(46)	(11)	(57)	(71)	(48)	(119)
Net return before finance costs and taxation	3	(458)	(455)	40	(1,558)	(1,518)
Return on ordinary activities before and after taxation (nil)	3	(458)	(455)	40	(1,558)	(1,518)
Return attributable to equity shareholders	3	(458)	(455)	40	(1,558)	(1,518)
Dividends	-	-	-	-	-	-
Transfer to reserves	3	(458)	(455)	40	(1,558)	(1,518)
Return per ordinary share – basic and diluted	0.02p	(3.36)p	(3.34)p	0.29p	(11.45)p	(11.16)p

eTechnology VCT plc
Balance Sheet

	Unaudited As at 30 Sep 2003 £000	Unaudited As at 30 Sep 2002 £000	Audited As at 31 Mar 2003 £000
Investments	7,295	8,516	6,051
Net current assets	919	240	1,642
Net assets	8,214	8,756	7,693
<u>Capital and Reserves</u>			
Called-up share capital	680	680	680
Share premium	12,115	12,115	12,115
Capital reserve - realised	(2,877)	(2,133)	(2,801)
Capital reserve - unrealised	(1,683)	(1,857)	(2,289)
Revenue reserve	(21)	(49)	(12)
Total shareholders' funds	8,214	8,756	7,693
Net asset value per ordinary share	60.37p	64.35p	56.54p

eTechnology VCT plc Cash Flow Statement

	Unaudited 6 months ended 30 Sep 2003		Unaudited 6 months ended 30 Sep 2002		Audited Year ended 31 Mar 2003	
	£000	£000	£000	£000	£000	£000
Net Cash (outflow) / inflow from Operating Activities		(11)		8		14
Capital Expenditure & Financial Investments						
Purchase of investments		(2,315)		(933)		(2,079)
Sale of Investments		1,658		903		3,465
Net cash (outflow)/ inflow from financial investments		(657)		(30)		1,386
Taxation		-		-		-
(Decrease)/ Increase in cash at bank		(668)		(22)		1,400
Analysis of cash balance						
At 1 April		1,709		309		309
Net cash inflow/(outflow) for the period		(668)		(22)		1,400
Cash Balance at 30 September 2003		1,041		287		1,709

Notes :-

1. The financial information given above does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The figures for the year ended 31 March 2003 have been extracted from the financial statements for that period; the auditors' report on those financial statements under section 235 of the Companies Act 1985 was unqualified.
2. Returns per Ordinary Share are based on 13,606,734 ordinary shares, being the weighted average number of shares in issue for all periods.
3. The net asset values per Ordinary Share are based on 13,606,734 shares in issue each period end.
4. Copies of the Interim Report are being sent to shareholders and can be obtained from the registered office: 19 Cavendish Square London W1A 2AW.

Investment Portfolio at 30 September 2003

Qualifying Investments	Holding	Cost £	Balance Sheet		
			Mid-Market Value £	% of fund	Profit / (Loss) £
AIM					
Biofocus plc	43,862	127,200	55,485	0.67	(71,715)
OMG plc	233,333	175,000	26,687	0.32	(148,313)
Pilat Media Global plc	1,500,000	300,000	592,500	7.21	292,500
Deltex Medical plc	800,000	200,000	118,000	1.44	(82,000)
Unlisted					
Jacobs Rimell Ltd	595,442	943,930	487,620	5.94	(456,310)
Burgundy Global Ltd	147,059	1,250,000	1,250,000	15.22	-
Networks by Wireless	700,000	700,000	700,000	8.52	-
iDesk plc	126,582	500,000	-	-	(500,000)
Boxmind Ltd	816	150,000	-	-	(150,000)
Heritage Image Partnership Ltd	36,262	500,000	170,000	2.07	(330,000)
CableNet International Ltd	1,785,714	344,828	-	-	(344,828)
Avidex Limited	12,500	500,000	500,000	6.09	-
Vectura Limited	259,740	500,000	500,000	6.09	-
Sarantel Limited	1,818,182	600,000	600,000	7.30	-
Sub Total		6,790,958	5,000,292	60.87	(1,790,666)
Non-Qualifying Investments					
Quoted Stocks		1,089,448	685,301	8.34	(404,147)
Gilts – Treasury 5.75% 2009	1,500,000	1,597,896	1,609,650	19.60	11,754
Sub Total		2,687,344	2,294,951	27.94	(392,393)
Total Investment Portfolio		9,478,302	7,295,243	88.81	(2,183,059)
Net Current Assets Including Cash		919,212	919,212	11.19	-
Total		10,397,514	8,214,455	100.00	(2,183,059)

Notes:-

- Balance sheet values in respect of quoted stocks have been calculated using mid market prices at 30 September 2003. Unquoted investments are stated at historic cost unless, in the opinion of the directors, there has been a diminution in value, in which case this has been provided for.
- Qualifying investments carry full voting rights for the Company.
- Shares are non-qualifying if they have been acquired in the market rather than as a result of a new issue.