

Talisman First Venture Capital Trust PLC

Interim Report

For the six months ended 30 September 2012

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Financial Highlights

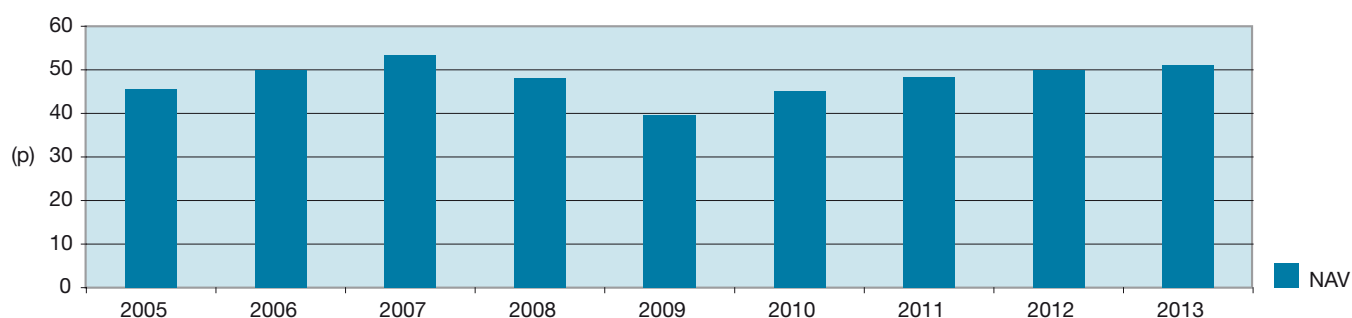
Financial history

	Six months ended 30 September 2012	Year ended 31 March 2012	Six months ended 30 September 2011
Net assets	£2,709,000	£2,641,000	£2,598,000
Net asset value (NAV) per share	51.0p	49.8p	48.9p
Revenue return per share	0.4p	0.1p	0.2p
Capital return per share	0.9p	1.3p	0.3p
Total return per share	1.3p	1.4p	0.5p
Share price ¹	26.2p	24.0p	26.5p
Discount to NAV	48.6%	51.8%	45.8%
Ordinary Shares in issue	5,309,102	5,309,102	5,309,102

¹ Mid-market price.

Source: Maven Capital Partners UK LLP, except share price (Bloomberg).

NAV per share

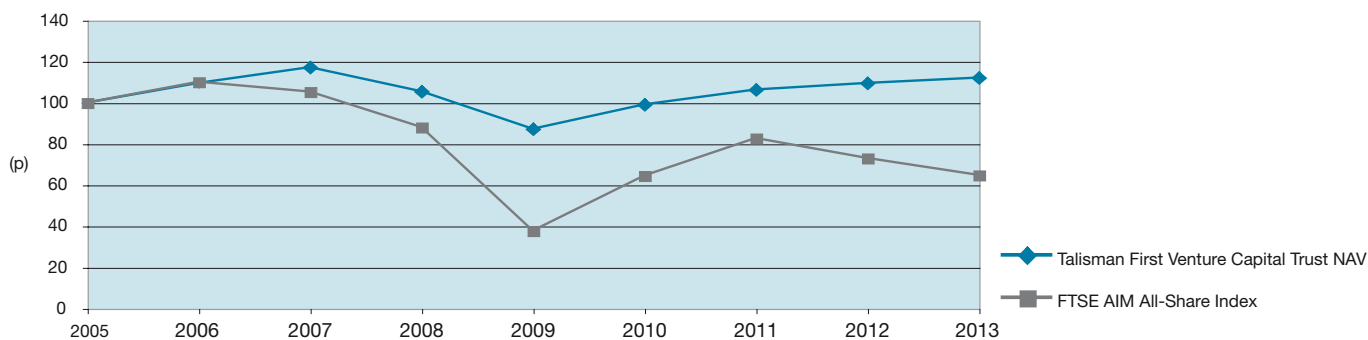


The above graph shows the NAV as at 31 March in each year, except 2013 which is at 30 September 2012.

The NAVs at 31 March 2005 and 31 March 2006 have been re-stated to reflect the share capital consolidation effective from 23 August 2006.

Financial Highlights (continued)

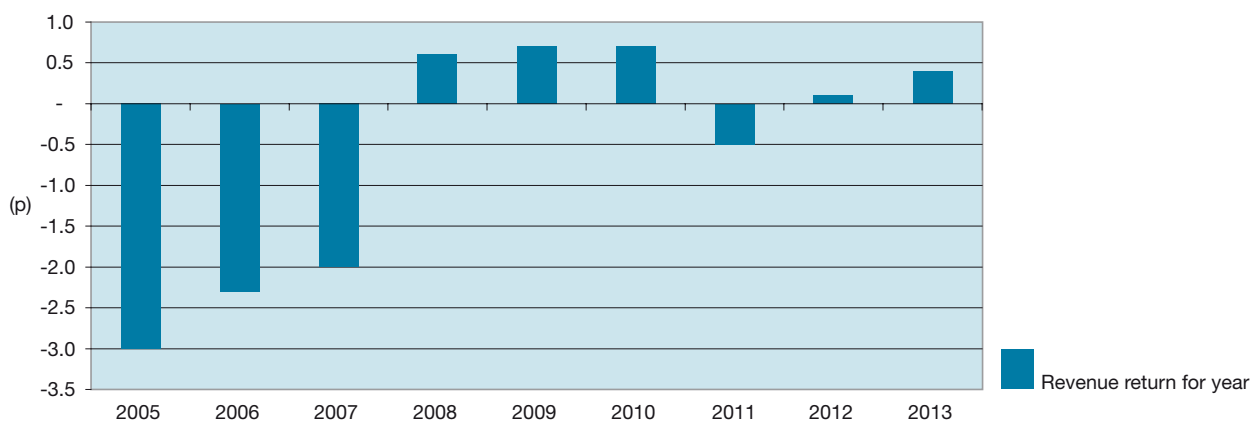
NAV per share (relative performance)



The above graph compares the NAV as at 31 March in each year, except 2013 which is at 30 September 2012, to the FTSE AIM All-Share Index, both rebased to 100p at 31 March 2005, the closest accounting period-end date to the appointment of the current management team.

The NAVs as at 31 March 2005 and 31 March 2006 have been re-stated to reflect the share capital consolidation effective from 23 August 2006.

Revenue return per share



The above graph shows the revenue return for each year ended 31 March, except 2013 which is for the six months ended 30 September 2012.

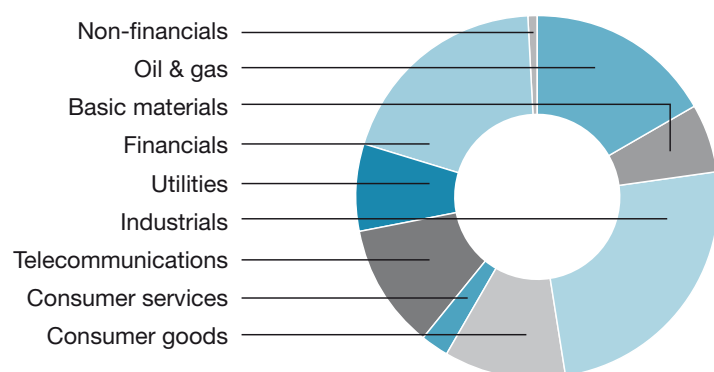
The returns for the years ended 31 March 2005 and 31 March 2006 have been re-stated to reflect the share capital consolidation effective from 23 August 2006.

Analysis of Unlisted and AIM/PLUS Portfolio

As at 30 September 2012

Industry sector	Unlisted valuation		AIM/PLUS valuation		Total valuation	
	£'000	%	£'000	%	£'000	%
Support services	500	20.2	33	1.3	533	21.5
Insurance	424	17.1	-	-	424	17.1
Oil & gas	414	16.7	-	-	414	16.7
Telecommunication services	274	11.1	-	-	274	11.1
Electricity	170	6.9	-	-	170	6.9
Household goods & textiles	136	5.5	19	0.8	155	6.3
Chemicals	146	5.9	-	-	146	5.9
Electronic & electrical equipment	73	2.9	10	0.4	83	3.3
Automobiles & parts	82	3.3	-	-	82	3.3
Real estate	60	2.4	-	-	60	2.4
Food producers & processors	33	1.3	-	-	33	1.3
Media & entertainment	-	-	33	1.3	33	1.3
Leisure & hotels	26	1.1	-	-	26	1.1
Utilities (ex-electricity)	25	1.0	-	-	25	1.0
Software & computer services	-	-	14	0.6	14	0.6
Mining	-	-	5	0.2	5	0.2
	2,363	95.4	114	4.6	2,477	100.0

Valuation by industry group

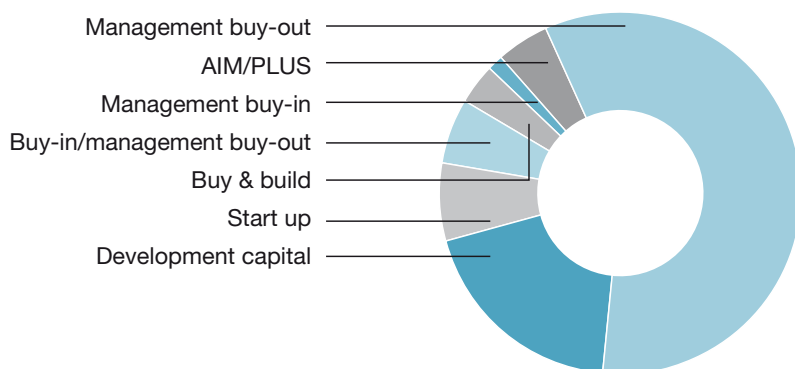


Analysis of Unlisted and AIM/PLUS Portfolio (continued)

As at 30 September 2012

Deal type	Number	Valuation	
		£'000	%
Unlisted			
Management buy-out	18	1,449	58.5
Development capital	7	473	19.1
Start up	1	170	6.9
Buy-in/management buy-out	2	146	5.9
Buy & build	1	92	3.7
Management buy-in	1	33	1.3
Total unlisted	30	2,363	95.4
AIM/PLUS	11	114	4.6
Total unlisted and AIM/PLUS	41	2,477	100.0

Valuation by deal type



Interim Management Report

Financial highlights

For the six months to 30 September 2012:

- **NAV increased to 51.0p per share from 49.8p at 31 March 2012;**
- **Three follow-on investments made in existing portfolio companies;**
- **Cash position increased from £68,000 to £159,000;**
- **VCT qualifying level of 77.7% maintained;**
- **Realisation of Nessco Group Holdings for a total return of 2.7 times cost; and**
- **Sale of Oliver Kay Holdings completed after the period end at 2.4 times cost.**

Overview

The continuing focus for your Company is on delivering further improvements in Shareholder value through the on-going expansion of the private equity asset base. The Company has a widely diversified portfolio of holdings in established UK businesses, the majority of which pay a yield. The current scarcity of bank finance means that Maven's investment team, operating from six key regional centres throughout the UK, is being introduced to a steady flow of good quality private companies as these businesses look for alternative sources of funding.

During the six month period most of your Company's private company assets have continued to trade positively, despite a difficult economic environment. The portfolio continues to generate strong levels of revenue, which together with cash generated from realisations means that your Company is well placed to continue to invest in all Maven led transactions.

We are pleased to note that since publication of the Annual Report there has been a wide range of independent industry recognition of the success of Maven's VCT investment approach and ability to deliver a consistent level of Shareholder returns. In August Maven was announced as the winner in the *UK Small Buyout House of the Year* category for the ACQ Finance Magazine Global Awards 2012. Maven was also recently named as winner of *VCT Exit of the Year* at the 2012 unquote" British Private Equity Awards for the three times cost exit from Walker Technical Resources in 2011, as well as being a finalist in the *VCT House of the Year* category. These awards acknowledge innovation and excellence in the private equity and venture capital sectors.

Distributable reserves and dividends

The revenue stream from the portfolio has improved significantly over recent years and meaningful realisations have been achieved during the period under review and shortly thereafter, with the Company now in a position where it has a small net surplus in its distributable reserves. Discussions are in progress regarding potential exits from a number of other portfolio companies and, while there can be no certainty on the completion of successful disposals, any further realisations could generate additional capital gains which, along with any surplus revenue, may enable dividend payments to be made to Shareholders. The Board does not propose to declare an interim dividend but the Directors will take stock of the status of the Company's reserves as at 31 March 2013 before making a decision on the proposal of a final dividend for the full year.

Share price and discount

There has been an improvement in the Company's share price during the period under review and this has continued after the period end, with the share price having risen further to 32.5p as at 28 November 2012 and representing a reduced discount of 36.3% to the NAV per share as at 30 September 2012. The Directors are hopeful that a continued improvement in the Company's reserves and the potential for the commencement of dividend payments, as referred to above, will see a further enhancement in the rating of the shares.

Investment activity

During the period the Maven team made three follow-on investments to support the development of existing portfolio companies and, in the case of 6^o Group and Glacier Energy Services Group, to fund small acquisitions. At the period end, the portfolio was comprised of 41 unlisted and AIM/PLUS quoted investments at a total cost of £2.5 million, with a VCT qualifying level of 77.7%. Quoted holdings now represent less than 5.0% of the portfolio by value.

The following investments have been completed during the period:

Investment	Date	Sector	Investment cost £'000	Website
Unlisted				
Camwatch Limited	August 2012	Telecommunication services	23	www.camwatch.co.uk
Glacier Energy Services Group Limited	June 2012	Oil equipment services	12	www.glacier.co.uk
Tosca Penta Exodus Mezzanine Limited Partnership (trading as 6° Group)	July 2012	Telecommunication services	21	www.6dg.co.uk
Total investment			56	

Talisman First Venture Capital Trust has co-invested in some or all of the above transactions with Maven Income and Growth VCT, Maven Income and Growth VCT 2, Maven Income and Growth VCT 3, Maven Income and Growth VCT 4, Maven Income and Growth VCT 5, and Ortus VCT. Co-investment allows these companies to underwrite a wider range and larger size of transaction than would be the case on a stand-alone basis.

Realisations

There was one significant private company realisation during the period, with the sale of Nessco Group Holdings to NASDAQ listed RigNet Inc. completing in July 2012 for a 2.7 times return on the cost of investment.

The table below gives details of realisations during the reporting period:

	Date first invested	Complete/partial exit	Cost of shares disposed of £'000	Value at 31 March 2012 £'000	Sales proceeds £'000	Realised gain/(loss) £'000	Gain/(loss) over March 2012 Valuation £'000
Unlisted							
ATR Holdings Limited	2007	Complete	-	-	1	1	1
Nessco Group Holdings Limited	2008	Complete	74	118	163	89	45
Oliver Kay Holdings Limited	2007	Partial	1	1	1	-	-
Torridon Capital Limited	2010	Partial	53	53	53	-	-
Total unlisted disposals			128	172	218	90	46
AIM/PLUS							
Brookwell Limited	2011	Partial	2	1	1	(1)	-
Total AIM/PLUS disposals			2	1	1	(1)	-
Total disposals			130	173	219	89	46

One AIM quoted company was struck off the Register during the period, resulting in a loss of £43,000 being realised, but there was no related impact on the NAV as a full provision had been made in an earlier reporting period. It is intended that the Manager will continue its policy, as adopted for previous periods, of disposing of quoted holdings for best possible value in cases where the investments are underperforming.

There was also one further meaningful private company realisation after the period end, with the disposal of Oliver Kay Holdings to Seafood Holdings Limited, a subsidiary of the international trading and distribution group Bidvest. This sale completed in early November for a 2.4 times return on the cost of investment, realising proceeds of £126,000 for your Company. The valuation of Oliver Kay Holdings at 30 September 2012 reflects the full offer value.

Principal risks and uncertainties

The Board has reviewed the principal risks and uncertainties facing the Company, which are as set out in the Annual Report. The Company has invested in a broadly based portfolio of UK private company investments. The VCT qualifying status of the Company is reviewed regularly by your Board and monitored on a continuous basis by the Manager in order to ensure that all of the criteria for VCT status are satisfied. The Board has confirmed that all tests continue to be met.

VCT regulation

The Manager was pleased to note that the Finance Act received Royal Assent in July, following approval by the European Commission of Government increases to the level of investment in an individual business which qualifies for VCT funding, and to the size of business which can benefit. The gross asset limit for investee companies has been raised from £7 million to £15 million, and the maximum number of employees from 50 to 250, while the annual investment limit has been raised from £2 million to £5 million. These revised limits are consistent with the Maven focus on investing in later-stage companies, and reinforce the position of generalist VCTs as a tax-efficient means of investment in high-growth smaller businesses.

The AIC has been working closely with the FSA on Consultation Paper CP12-19 (Restrictions on the retail distribution of unregulated collective investment schemes and close substitutes) and its applicability to venture capital trusts. As VCTs are listed investment companies overseen by an independent board and regulated by the listing rules and company law, we are hopeful that the FSA will recognise the call to exclude VCTs from the proposals in the same way that investment trusts have been.

Outlook

During the next six months your Company will continue to focus on investing in attractively priced later-stage private companies which are capable of paying regular income and offer significant potential for capital growth. We believe this is the optimum strategy for the generation of superior Shareholder returns.

Maven Capital Partners UK LLP

Manager

30 November 2012

Summary of Portfolio Performance

For the six months ended 30 September 2012

	Opening value 31 March 2012 £'000	Purchases £'000	Sales proceeds £'000	Realised gain/ (loss) over opening value £'000	Unrealised gain over opening value £'000	Closing value 30 September 2012 £'000	Total gain/(loss) £'000
Unlisted	2,433	56	(218)	90	2	2,363	92
PLUS	2	-	-	-	-	2	-
AIM	120	-	(1)	(44)	37	112	(7)
Total portfolio	2,555	56	(219)	46	39	2,477	85

Investment Portfolio Summary

As at 30 September 2012

Investment	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients ¹
Unlisted					
Torridon Capital Limited	294	63	10.9	0.8	39.2
Fotolec Technologies Limited	170	250	6.3	4.0	-
Homelux Nenplas Limited	136	37	5.0	0.8	39.2
Tosca Penta Investments Limited Partnership (trading as <i>esure</i>)	130	64	4.8	-	0.2
Oliver Kay Holdings Limited	126	68	4.7	0.4	19.6
Maven Co-invest Exodus Limited Partnership and Tosca Penta Exodus Mezzanine Limited Partnership (jointly trading as 6° Group)	113	87	4.2	0.4	17.8
Camwatch Limited	101	143	3.7	1.4	41.5
Flexlife Group Limited	99	75	3.7	0.3	14.3
Attraction World Holdings Limited	94	47	3.5	0.9	37.5
Steminic Limited	89	89	3.3	1.2	34.7
Adler & Allan Holdings Limited	87	62	3.2	0.2	2.2
Westway Services Limited	87	38	3.2	0.4	21.5
Intercede (Scotland) 1 Limited (trading as Electro-Flow Controls)	85	50	3.1	0.5	28.0
Lemac No.1 Limited (trading as John McGavigan)	82	82	3.0	1.4	35.4
Venmar Limited (trading as XPD8 Solutions)	79	80	2.9	1.2	33.8
Martel Instruments Holdings Limited	66	76	2.4	1.4	42.8
Lawrence Recycling & Waste Management Limited	65	65	2.4	0.8	61.2
Glacier Energy Services Group Limited	61	61	2.3	0.5	24.5
Moriond Limited	60	60	2.2	1.2	48.8
CatTech International Holdings Limited	60	60	2.2	0.6	29.4
LCL Hose Limited (trading as Dantec)	60	60	2.2	1.1	28.9
Vodat International Holdings Limited	60	60	2.2	0.7	41.0
CHS Engineering Services Limited	57	57	2.1	0.6	22.7
Atlantic Foods Group Limited	33	33	1.2	-	8.8
Training for Travel Group Limited	25	50	0.9	0.6	29.4
Enpure Holdings Limited	25	50	0.9	0.2	2.2
Space Student Living Limited	11	46	0.4	0.7	29.3
Other unlisted investments	8	10	0.3		
Total unlisted investments	2,363	1,923	87.2		
AIM/PLUS					
Chime Communications PLC	33	26	1.2	-	0.3
Plastics Capital PLC	19	30	0.7	0.1	3.6
Hasgrove PLC	17	49	0.6	0.2	1.5
Vianet Group PLC (formerly Brulines Group PLC)	12	16	0.4	-	1.5
Datong PLC	10	47	0.4	0.3	1.7
Work Group PLC	10	101	0.4	0.5	2.8
Other AIM/PLUS investments	13	277	0.5		
Total AIM/PLUS investments	114	546	4.2		
Total investments	2,477	2,469	91.4		

¹Other clients of Maven Capital Partners UK LLP.

Income Statement

For the six months ended 30 September 2012

	Six months ended 30 September 2012 (unaudited)			Six months ended 30 September 2011 (unaudited)			Year ended 31 March 2012 (audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£000	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments	-	85	85	-	55	55	-	149	149
Income from investments and deposit interest	75	-	75	75	-	75	131	-	131
Investment management fees	(10)	(40)	(50)	(10)	(40)	(50)	(20)	(80)	(100)
Other expenses	(42)	-	(42)	(50)	-	(50)	(107)	-	(107)
Net return on ordinary activities before taxation	23	45	68	15	15	30	4	69	73
Tax on ordinary activities	(2)	2	-	(3)	3	-	-	-	-
Return attributable to Equity Shareholders	21	47	68	12	18	30	4	69	73
Return per Ordinary Share (pence)	0.4	0.9	1.3	0.2	0.3	0.5	0.1	1.3	1.4

A Statement of Total Recognised Gains and Losses has not been prepared, as all gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

The total column of this statement is the Profit and Loss Account of the Company.

Reconciliation of Movements in Shareholders' Funds

For the six months ended 30 September 2012

	Six months ended 30 September 2012 (unaudited)		Six months ended 30 September 2011 (unaudited)		Year ended 31 March 2012 (audited)
	£'000		£'000		£'000
Opening Shareholders' funds		2,641		2,568	2,568
Net return for year		68		30	73
Closing Shareholders' funds		2,709		2,598	2,641

The accompanying Notes are an integral part of the Financial Statements.

Balance Sheet

As at 30 September 2012

	30 September 2012 (unaudited) £'000	30 September 2011 (unaudited) £'000	31 March 2012 (audited) £'000
Fixed assets			
Investments at fair value through profit or loss	2,477	2,282	2,555
Current assets			
Debtors	81	111	72
Cash and overnight deposits	159	211	68
	240	322	140
Creditors:			
Amounts falling due within one year	8	6	54
Net current assets	232	316	86
Total net assets	2,709	2,598	2,641
Capital and reserves			
Called up share capital	2,655	2,655	2,655
Share premium account	-	-	-
Capital reserve - realised	(1,436)	(1,264)	(1,444)
Capital reserve - unrealised	13	(257)	(26)
Special distributable reserve	2,389	2,389	2,389
Revenue reserve	(912)	(925)	(933)
Net assets attributable to Equity Shareholders	2,709	2,598	2,641
Net asset value per Ordinary Share (pence)	51.0	48.9	49.8

The Financial Statements of Talisman First Venture Capital Trust PLC, registered number 3870187, were approved and authorised for issue by the Board of Directors on 30 November 2012, and were signed on its behalf by:

J D Carr
Director

The accompanying Notes are an integral part of the Financial Statements.

Cash Flow Statement

For the six months ended 30 September 2012

	Six months ended 30 September 2012 (unaudited) £'000	Six months ended 30 September 2011 (unaudited) £'000	Year ended 31 March 2012 (audited) £'000
Operating activities			
Investment income received	72	71	125
Investment management fees paid	(50)	(50)	(100)
Other cash payments	(94)	(67)	(70)
Net cash outflow from operating activities	(72)	(46)	(45)
Taxation			
Corporation tax	-	-	-
Financial investment			
Purchase of investments	(56)	(275)	(539)
Sale of investments	219	363	483
Net cash inflow/(outflow) from financial investment	163	88	(56)
Equity dividends paid	-	-	-
Increase/(decrease) in cash	91	42	(101)

The accompanying Notes are an integral part of the Financial Statements.

Notes to the Financial Statements

1. Accounting policies

The financial information for the six months ended 30 September 2012 and the six months ended 30 September 2011 comprises non-statutory accounts within the meaning of Section 240 of the Companies Act 2006. The financial information contained in this Report has been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 March 2012.

The results for the year ended 31 March 2012 are extracted from the full accounts for that year, which received an unqualified report from the Auditor and have been filed with the Registrar of Companies.

2. Movement in reserves

	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Special distributable reserve £'000	Revenue reserve £'000
At 31 March 2012	-	(1,444)	(26)	2,389	(933)
Gain on sale of investments	-	46	-	-	-
Net increase in value of investments	-	-	39	-	-
Investment management fees	-	(40)	-	-	-
Tax effect on capital items	-	2	-	-	-
Net return on ordinary activities after taxation	-	-	-	-	21
At 30 September 2012	-	(1,436)	13	2,389	(912)

3. Returns per Ordinary Share

	Six months ended 30 September 2012 £'000	Six months ended 30 September 2011 £'000	Year ended 31 March 2012 £'000
The returns per Ordinary Share are based on the following figures:			
Revenue return	21	12	4
Capital return	47	18	69
Total return	68	30	73
Weighted average number of Ordinary Shares in issue	5,309,102	5,309,102	5,309,102
Revenue return per Ordinary Share (pence)	0.4	0.2	0.1
Capital return per Ordinary Share (pence)	0.9	0.3	1.3
Return per Ordinary Share (pence)	1.3	0.5	1.4

The NAV per Ordinary Share has been calculated using the number of shares in issue at 30 September 2012 of 5,309,102.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- the Financial Statements for the six months ended 30 September 2012 have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' issued in January 2009;
- the Interim Management Report includes a fair review of the information required by DTR 4.2.7R in relation to the indication of important events during the first six months, and of the principal risks and uncertainties facing the Company during the second six months, of the year ending 31 March 2013; and
- the Interim Management Report includes adequate disclosure of the information required by DTR 4.2.8R in relation to related party transactions and any changes therein.

By order of the Board

Maven Capital Partners UK LLP

Secretary

30 November 2012

Corporate Information

Directors

J D Carr (Chairman)

S J Barclay

B O J May

W R Nixon

Manager and Secretary

Maven Capital Partners UK LLP

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Glasgow G2 2LW

Tel: 0141 306 7400

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Glasgow G2 2LW

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London EC4A 3AF

Registered in England and Wales

Company No. 3870187

Registrar

Capita Registrars

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire HD8 0LA

Shareholder Helpline: 0871 664 0300

(calls cost 10p a minute plus network extras and lines are open from 8.30 am until 5.30 pm, Monday - Friday)

Auditor

Deloitte LLP

Bankers

J P Morgan Chase Bank

Stockbroker

Seymour Pierce Limited

Website

www.mavencp.com/talismanfirst



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Authorised and Regulated by The Financial Services Authority