

INTERIM REPORT  
FOR THE SIX MONTHS ENDED  
31 AUGUST 2005



MANAGED BY  
BERINGEA

## Directors and Advisers

### Directors

Andrew Davison  
Nicholas Lewis  
Alexander Spiro Jr.  
James Stewart  
Marc Vlessing

### Company Secretary

G Whitehouse

### Registered Office

39 Earlham Street  
London  
WC2H 9LT

Registered in England & Wales No. 4125326

### Investment Manager

Beringea Limited  
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WC2H 9LT  
Telephone: 020 7845 7820  
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*Beringea Limited is authorised and regulated  
by the Financial Services Authority*

### Auditor

Deloitte & Touche LLP  
London

### VCT Adviser

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6NN

### Registrar

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Northern House  
Woodsome Park  
Fenay Bridge  
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Telephone: 0870 162 3131  
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### Financial Adviser

Downing Corporate Finance Limited  
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London  
SW1V 1PJ  
Telephone: 020 7416 7780  
[info@downing.co.uk](mailto:info@downing.co.uk)

## Financial Summary

	<b>Six months ended 31 August 2005</b>	Six months ended 31 August 2004	Year ended 28 February 2005
Revenue return per share	(0.3)p	0.1p	0.3p
Total return per share	7.3p	2.7p	11.9p
Dividend per share	3.0p	3.0p	6.5p
Cumulative dividends per share	15.4p	8.9p	12.4p
Net asset value per share	120.2p	109.2p	115.3p
Net asset value plus cumulative dividends per share	135.6p	118.1p	127.7p
Shareholders' funds (£000)	7,839	7,514	7,752
Mid-market price per share	101p	97.5p	98p

## Investment Objective

ProVen Growth & Income VCT plc is a Venture Capital Trust established under the legislation introduced in the Finance Act 1995. The company's principal objectives, as set out in the prospectus, are to maximise tax-free capital and income returns to shareholders, over a five to ten year period, by investing in a portfolio consisting mainly of qualifying investments in established smaller UK companies with good growth prospects.

## Chairman's Statement

### Introduction

I have pleasure in presenting the interim report for ProVen Growth & Income VCT plc (formerly ProVen Media VCT plc) for the six months ended 31 August 2005. Your company changed its name following shareholder approval at the annual general meeting on 5 July 2005.

Despite the wider concerns in the international economy from the continued conflict in the Middle East and rising oil prices, the period has seen the total return on the FTSE All Share Index increase by 9%. Your company continued to comply with the requirements of the VCT regulations during the period.

### Investment Portfolio

Details of your company's investment activity are provided in the accompanying Investment Manager's Review.

At 31 August 2005 your company's unquoted and listed portfolio comprised 18 investments at a total cost of £4.9 million and a valuation of £6.7 million. In addition, your company had net current assets of £1.1 million. Further details are shown on page 7.

### Net Asset Value & Dividends

The net asset value total return per share at 31 August 2005 was 135.6p comprising a net asset value per share of 120.2p and dividends paid or proposed of 15.4p. This represents an increase of 6% over the net asset value total return at 28 February 2005 and an increase of 43% over the initial net asset value at launch of 95p per share. This compares favourably with the total return on the FTSE All Share Index from initial listing to 31 August 2005 of just 9% and makes your company the top performing VCT started in tax year 2001/2002 by a considerable margin\*.

Your company will be paying an interim dividend of 3p per share for the period. This will be paid on 4 November 2005 to shareholders on the register at 14 October 2005. In each of the last two years your company has paid out dividends totalling 6.5p per year, equivalent to a tax free return of 16.25% pa for investors who took full advantage of available tax reliefs on initial subscription in 2001.

### Share Capital Issues & Buy Backs

During the period your company purchased 199,325 shares in the market at a total cost of £207,000, representing a discount of 10% to the net asset value at 28 February 2005. Shareholders are reminded that if they wish to sell their shares in the company they should contact Downing Corporate Finance, details of whom are provided at the front of this Interim Report.

\* Source: Allenbridge Tax Shelter Report ([www.taxshelterreport.co.uk](http://www.taxshelterreport.co.uk))

## **Chairman's Statement** *continued*

### **Prospects**

The investment portfolio of your company continues, on the whole, to perform well, reflecting the underlying quality of the portfolio companies' products and services, their management teams and the contribution made to the companies by the investment manager.

In my statement in the last Annual Report and Accounts I outlined the proposal for future fund raising to build upon the success of the VCT to date and to take advantage of the current favourable conditions for fund raising. Your board and the investment manager, following extensive consultation with industry commentators and investors, has decided, subject to shareholder approval, to raise further funds through a C share issue. This will enable shareholders to continue to benefit from the performance of the existing ordinary shares, while also giving them the opportunity to place further funds under the management of a proven and successful team. Further information and details will be circulated to shareholders shortly.

The performance of your company to date, the track record of success of the manager and the prospect of raising new funds gives your board grounds to be confident of the future prospects for your company.

Andrew Davison

29 September 2005

## Investment Manager's Review

### Introduction

This review covers the six month period ended 31 August 2005 during which the net asset value total return of the fund increased by 6%. The company continued to comply with the VCT regulations during the period.

### Portfolio Activity

During the period under review we have been proactive about realising value from the existing portfolio. Several potential new investment opportunities are also currently under review although no new or follow on investments were made during the period.

In August Copyright Promotions Group was sold generating a significant return on the initial investment. We continue to hold a small amount of loan notes which will be redeemed later this year. The success of this disposal demonstrates the value added by our investment executives after the initial investment. We identified the opportunity to appoint a new Chairman to the board of the company who has worked with a strong incumbent management team to improve company performance. This has ultimately provided a strong return for shareholders.

In the quoted portfolio, further disposals of shareholdings in both Cardpoint and Miva Inc (formerly FindWhat) were made realising profits of £215,000.

In addition, we are currently at an advanced stage with a number of portfolio companies on realisation and refinancing strategies which could result in further profits for shareholders. We are optimistic that some, if not all, of these will conclude during the current financial year.

### Portfolio Valuation

At 31 August 2005 the company's unquoted and listed portfolio comprised 18 investments at a total cost of £4.9 million and a valuation of £6.7 million. In addition, the company had net current assets of £1.1 million. Further details are shown on page 7.

The portfolio continues on the whole to perform very well. The board has increased the valuations for several of the companies, most notably Mergermarket, which has increased in value by £400,000, LFR and Nectar Taverns.

### Prospects

The VCT industry has benefited from the £500 million raised either side of the 2005 tax year end. We expect there to be further significant funds raised in the remainder of the 2005/2006 tax year. This lifts the profile of the industry and the possible opportunities for both investments and realisations.

## **Investment Manager's Review** *continued*

We continue to be pleased with the overall performance of the portfolio companies and of their future prospects. However, the fund has reached a position where it is effectively fully invested and may no longer be able to take advantage of attractive investment opportunities presented to it. The fund raising outlined in the Chairman's Statement, if approved by shareholders, will provide further opportunities for portfolio diversification. We will look to invest funds raised mainly in unquoted companies (as opposed to AIM companies) where we believe the best potential for strong returns exists and where we can leverage our expertise of working closely with management to generate further significant returns for shareholders.

Beringea Limited

29 September 2005

## Investment Portfolio

At 31 August 2005

	Book Cost £000	Valuation £000	% of net assets
<b>Qualifying holdings</b>			
Mergermarket Limited	317	1,194	15.2
Espresso Broadband Limited	523	1,037	13.2
Ma Potter's Limited	300	751	9.6
Ashford Colour Press Limited	550	693	8.8
Nectar Taverns plc	300	628	8.0
Gyro International Limited	500	500	6.4
LFR plc (t/a Loch Fyne Restaurants)	351	451	5.8
UBC Media Group plc*	400	428	5.4
JTV Limited	200	200	2.6
Pilat Media Global plc*	74	162	2.1
Zenith Group Limited	426	133	1.7
Cardpoint plc*	39	111	1.4
Oasis Healthcare plc*	170	51	0.7
Sports Holdings Limited	260	44	0.5
Immedia Broadcasting plc*	171	40	0.5
Total qualifying holdings	4,581	6,423	81.9**
<b>Non-qualifying holdings</b>			
Baby Innovations S.A. (t/a Steribottle)	209	209	2.7
Miva Inc† (formerly Findwhat.com)	73	63	0.8
Copyright Promotions Group Limited	19	19	0.2
Total non-qualifying holdings	301	291	3.7
<b>Total investment portfolio</b>	4,882	6,714	85.6
<b>Net current assets</b>		1,125	14.4
<b>Shareholders' funds</b>		7,839	100.0

\* Investment traded on the Alternative Investment Market

† Investment traded on the US NASDAQ Market

\*\* Expressed as a percentage of the company's net assets at 31 August 2005 as distinct from total investments (as defined in the Venture Capital Trust regulations)



## Unaudited Statement of Total Return (incorporating the Revenue Account)

For the six months ended 31 August 2005

	Six months ended 31 August 2005		
	Revenue £000	Capital £000	Total £000
Gains on investments			
– realised	—	378	378
– unrealised	—	188	188
Income	73	—	73
Investment management fee	(20)	(61)	(81)
Other expenses	(72)	—	(72)
<b>Return on ordinary activities before taxation</b>	<b>(19)</b>	<b>505</b>	<b>486</b>
Tax (charge)/credit on ordinary activities	—	—	—
<b>Return on ordinary activities after taxation</b>	<b>(19)</b>	<b>505</b>	<b>486</b>
Dividends	—	(192)	(192)
<b>Transfers (from)/to reserves</b>	<b>(19)</b>	<b>313</b>	<b>294</b>
<b>Return per ordinary share</b>			
<b>Basic and fully diluted</b>	<b>(0.3)p</b>	<b>7.6p</b>	<b>7.3p</b>

All revenue and capital items in the above statement are from continuing operations. Other than shown above, the company had no recognised gains and losses. The company has only one class of business and derives its income from investments made in shares and securities and from bank deposits.

Six months ended 31 August 2004			Year ended 28 February 2005		
Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
—	216	216	—	551	551
—	—	—	—	337	337
105	—	105	215	—	215
(12)	(37)	(49)	(31)	(92)	(123)
(81)	—	(81)	(158)	—	(158)
<hr/> 12	<hr/> 179	<hr/> 191	<hr/> 26	<hr/> 796	<hr/> 822
(2)	2	—	(3)	3	—
<hr/> 10	<hr/> 181	<hr/> 191	<hr/> 23	<hr/> 799	<hr/> 822
—	(206)	(206)	—	(442)	(442)
<hr/> 10	<hr/> (25)	<hr/> (15)	<hr/> 23	<hr/> 357	<hr/> 380
<hr/> 0.1p	<hr/> 2.6p	<hr/> 2.7p	<hr/> 0.3p	<hr/> 11.6p	<hr/> 11.9p

## Unaudited Balance Sheet

At 31 August 2005

	31 August 2005 £000	31 August 2004 £000	28 February 2005 £000
<b>Fixed assets</b>			
Investments – unquoted	5,859	4,249	5,390
Investments – AIM quoted	792	1,243	1,132
Investments – other listed	63	557	184
	<u>6,714</u>	<u>6,049</u>	<u>6,706</u>
<b>Net current assets</b>	<b>1,125</b>	<b>1,465</b>	<b>1,046</b>
<b>Net assets</b>	<b>7,839</b>	<b>7,514</b>	<b>7,752</b>
<b>Capital &amp; reserves</b>			
Share capital	65	69	67
Reserves	7,774	7,445	7,685
	<u>7,839</u>	<u>7,514</u>	<u>7,752</u>
<b>Equity shareholders' funds</b>	<b>7,839</b>	<b>7,514</b>	<b>7,752</b>
<b>Net asset value per share</b>	<b>120.2p</b>	<b>109.2p</b>	<b>115.3p</b>

## Unaudited Cash Flow Statement

### For the six months ended 31 August 2005

	<b>Six months ended 31 August 2005 £000</b>	Six months ended 31 August 2004 £000	Year ended 28 February 2005 £000
<b>Net revenue from operating activities</b>			
Net revenue from ordinary activities before tax	(19)	12	26
Decrease/(increase) in debtors	32	(22)	(57)
(Decrease)/increase in creditors	(49)	(30)	16
Capitalised interest receipts	—	—	(23)
Management fees charged to capital	(61)	(37)	(92)
	<hr/>	<hr/>	<hr/>
Net cash outflow from operating activities	(97)	(77)	(130)
<b>Financial investment</b>			
Purchases of investments	—	(489)	(1,000)
Sales of investments	426	361	972
	<hr/>	<hr/>	<hr/>
Net cash inflow/(outflow) from financial investment	426	(128)	(28)
<b>Corporation tax paid</b>	—	—	—
<b>Equity dividends paid</b>	(237)	(248)	(453)
	<hr/>	<hr/>	<hr/>
Net cash inflow/(outflow) before financing	92	(453)	(611)
<b>Financing</b>			
Purchase of ordinary shares for cancellation	(252)	(191)	(303)
	<hr/>	<hr/>	<hr/>
Net cash outflow from financing	(252)	(191)	(303)
	<hr/>	<hr/>	<hr/>
<b>Decrease in cash in period</b>	(160)	(644)	(914)
<b>Analysis of cash balance</b>			
At start of period	1,362	2,276	2,276
Net cash outflow for the period	(160)	(644)	(914)
	<hr/>	<hr/>	<hr/>
<b>At end of period</b>	1,202	1,632	1,362
	<hr/>	<hr/>	<hr/>

## Notes to the Unaudited Financial Statements

1. The unaudited interim financial statements for the six months ended 31 August 2004 and 31 August 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 results for the year ended 28 February 2005 have been extracted from the financial statements for that year, which have been delivered to the Registrar of Companies; the auditors' report on those financial statements under Section 235 of the Companies Act 1985 was unqualified.

2. True and fair override

The company is no longer an investment company within the meaning of Section 266 of the Companies Act 1985, having revoked investment company status in July 2004 in order to pay a capital dividend. However, the company continues to conduct its affairs as a venture capital trust for taxation purposes under s842AA of the Income and Corporation Taxes Act 1988.

The financial statements are prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" (SORP). This is consistent with the presentation adopted in previous periods. Ordinarily, the absence of Section 266 status would require the company to adopt a different presentation of the accounts than that recommended by the SORP. However, the directors consider it appropriate to continue to present the accounts in accordance with the SORP. The departure has no effect on the total return or balance sheet.

3. The financial information contained in this interim report has been prepared on the basis of the accounting policies set out in the Annual Report 2005. Unquoted investments are valued in accordance with International Private Equity And Venture Capital Valuation Guidelines. These guidelines were issued in March 2005 and have been endorsed by the British Venture Capital Association. AIM quoted investments are valued at mid market prices discounted, where necessary, to reflect any lack of liquidity.

4. Returns per ordinary share are based on 6,640,115 ordinary shares, being the weighted average number of shares in issue during the period. There were 6,521,970 ordinary shares in issue at 31 August 2005.

5. Earnings for the period should not be taken as a guide to the results for the full year.

6. The directors will be paying a dividend of 3p per share for the period ended 31 August 2005 to be paid on 4 November 2005 to shareholders on the register at 14 October 2005.

7. Copies of the Interim Report will be mailed to shareholders and are available from the Registered Office of the company at 39 Earlham Street, London WC2H 9LT.