

INTERIM REPORT
FOR THE SIX MONTHS ENDED
31 AUGUST 2005



Directors and Advisers

Director

Andrew Davison
Nicholas Lewis
Ernest Sharp
Alexander Spiro Jr.

Company Secretary

G Whitehouse

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Beringea Limited is authorised and regulated
by the Financial Services Authority

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Financial Summary

	Six months ended 31 August 2005	Six months ended 31 August 2004	Year ended 28 February 2005
Revenue return per share	0.3p	0.6p	1.9p
Total return per share	2.6p	5.4p	14.6p
Dividend per share	3.0p	3.0p	6.5p
Cumulative dividends per share	18.7p	12.2p	15.7p
Net asset value per share	106.3p	100.8p	106.7p
Net asset value plus cumulative dividends per share	125.0p	113.0p	122.4p
Mid-market price per share	92p	88p	93p
Shareholders' funds (£000)	25,966	22,908	23,998

Investment Objective

ProVen 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 your company for the six months ended 31 August 2005. Despite the wider concerns in the international economy from the continued conflict in the Middle East and rising oil prices, the total return on the FTSE All Share Index has increased by 9% during the period under review. 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. The board has prudently reduced the value of SPC International to take account of current market circumstances although it remains optimistic about the longer term prospects for the company.

At 31 August 2005 your company's unquoted and listed portfolio comprised 22 investments at a total cost of £15.0 million and a valuation of £19.0 million. In addition, your company had net current assets of £7.0 million. Further details are shown on page 7.

NET ASSET VALUE AND DIVIDENDS

The net asset value total return per share at 31 August 2005 was 125.0p comprising a net asset value per share of 106.3p and dividends paid or proposed of 18.7p. This represents an increase of 2% over the net asset value total return at 28 February 2005 and an increase of 32% 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 1%.

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 2000.

SHARE CAPITAL ISSUES AND BUY BACKS

During the period your company issued a further 2,863,080 shares representing the net proceeds of the offers for subscription in the tax years 2004/2005 and 2005/2006.

Chairman's Statement *continued*

Your company also purchased 931,477 shares in the market at a total cost of £900,000, 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.

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.

Together with the track record of success for the VCT to date and the availability of new funds for investment, this 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 company increased by 2%. 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 March, Notability Solutions Limited was sold generating a total return of 2.4 times the initial investment in only two years. In August, Copyright Promotions Group was sold generating a significant return on the initial investment. We continue to hold a small portion 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. On a slightly disappointing, though not unexpected, note Bond-IT, an investment from 2000, finally went into liquidation. This has had no current period effect on the net asset value as the investment was fully provided against.

In the quoted portfolio, further disposals of shareholdings in both Cardpoint and Miva Inc (formerly FindWhat) were made realising profits of £480,000.

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 22 investments at a total cost of £15.0 million and a valuation of £19.0 million. In addition, the company had net current assets of £7.0 million. The increase in net current assets reflects the realisations described above and the £3.0 million raised from shareholders during the recent fund raising. Further details are shown on page 7.

Investment Manager's Review *continued*

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 £1.0 million, LFR and Nectar Taverns. Offsetting this, the board has prudently reduced the value of SPC International to take account of current market circumstances, although we remain optimistic for the longer term prospects of the company.

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.

We continue to be pleased with the overall performance of the portfolio companies and of their future prospects. The funds raised by the VCT in the last two years provide further opportunities for portfolio diversification and we will look to invest these funds in the coming months. We expect these investments to be 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
Qualifying holdings			
Mergermarket Limited	780	2,942	11.3
Espresso Broadband Limited	1,365	2,708	10.4
Nectar Taverns plc	1,000	2,096	8.1
SPC International Limited	1,173	1,788	6.9
Ma Potter's Limited	700	1,755	6.8
LFR plc (t/a Loch Fyne Restaurants)	1,000	1,284	5.0
Ashford Colour Press Limited	1,000	1,261	4.9
UBC Media Group plc *	1,101	1,119	4.3
Chiaros Holdings Limited (t/a TMI)	800	1,064	4.1
Cardpoint plc *	212	599	2.3
Pilat Media Global plc *	250	547	2.1
Zenith Group Limited	853	268	1.0
Oasis Healthcare plc *	670	262	1.0
JVTV Limited	200	200	0.8
Sports Holdings Limited	800	137	0.5
Linguaphone plc	703	99	0.4
VI Group plc *	207	74	0.2
ID Data plc *	262	5	—
GB Industries Limited	1,134	—	—
Total qualifying holdings	14,210	18,208	70.1**
Non-qualifying holdings			
Baby Innovations S.A. (t/a Steribottle)	604	604	2.4
Miva Inc [#] (formerly Findwhat.com)	116	89	0.3
Copyright Promotions Group Limited	54	54	0.2
Total non-qualifying holdings	774	747	2.9
Total investment portfolio	14,984	18,955	73.0
Net current assets		7,011	27.0
Shareholders' funds		25,966	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 six months ended 31 August 2005

	Six months ended 31 August 2005		Total
	Revenue £000	Capital £000	£000
Gains/(losses) on investments			
– realised	—	1,616	1,616
– unrealised	—	(789)	(789)
Income	286	—	286
Investment management fee	(95)	(286)	(381)
Other expenses	(94)	—	(94)
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Return on ordinary activities before taxation	97	541	638
Tax (charge)/credit on ordinary activities	(14)	14	—
	<hr/>	<hr/>	<hr/>
Return on ordinary activities after taxation	83	555	638
Dividends	—	(732)	(732)
	<hr/>	<hr/>	<hr/>
Transfers to/(from) reserves	83	(177)	(94)
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Return per ordinary share			
Basic and fully diluted	0.3p	2.3p	2.6p
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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
—	254	254	—	1,000	1,000
—	1,026	1,026	—	2,248	2,248
328	—	328	866	—	866
(73)	(218)	(291)	(152)	(456)	(608)
(96)	—	(96)	(188)	—	(188)
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159	1,062	1,221	526	2,792	3,318
(28)	28	—	(92)	92	—
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131	1,090	1,221	434	2,884	3,318
(227)	(455)	(682)	(508)	(956)	(1,464)
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(96)	635	539	(74)	1,928	1,854
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0.6p	4.8p	5.4p	1.9p	12.7p	14.6p
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Unaudited Balance Sheet at 31 August 2005

	31 August 2005 £000	31 August 2004 £000	28 February 2005 £000
Fixed assets			
Investments – unquoted	16,260	15,973	18,171
Investments – AIM quoted	2,606	3,742	3,234
Investments – other listed	89	770	268
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	18,955	20,485	21,673
Net current assets	7,011	2,423	2,325
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Net assets	25,966	22,908	23,998
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Capital and reserves			
Share capital	1,221	1,137	1,125
Reserves	24,745	21,771	22,873
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Equity shareholders' funds	25,966	22,908	23,998
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Net asset value per share	106.3p	100.8p	106.7p
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Unaudited Cash Flow Statement

For six months ended 31 August 2005

	Six months ended 31 August 2005 £000	Six months ended 31 August 2004 £000	Year ended 28 February 2005 £000
Net revenue from operating activities			
Net revenue from ordinary activities before tax	97	159	526
Decrease/(increase) in debtors	146	(31)	(176)
Increase/(decrease) in creditors	7	30	56
Capitalised interest receipts	—	—	(175)
Management fees charged to capital	(286)	(218)	(456)
Net cash outflow from operating activities	(36)	(60)	(225)
Financial investment			
Purchases of investments	—	(443)	(787)
Sales of investments	3,076	1,410	2,809
Net cash inflow from financial investment	3,076	967	2,022
Corporation tax paid	—	—	—
Equity dividends paid	(787)	(760)	(1,439)
Net cash inflow before financing	2,253	147	358
Financing			
Issue of ordinary shares	3,097	1,054	1,054
Share issue expenses	(137)	(58)	(58)
Purchase of ordinary shares for cancellation	(943)	(149)	(328)
Net cash inflow from financing	2,017	847	668
Increase in cash in period	4,270	994	1,026
Analysis of cash balance			
At start of period	3,129	2,103	2,103
Net cash inflow for the period	4,270	994	1,026
At end of period	7,399	3,097	3,129

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 24,214,531 ordinary shares, being the weighted average number of shares in issue during the period. There were 24,422,115 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.

