

ProVen VCT plc
Half-Yearly Report
for the six months ended 31 August 2009



Managed by
Beringea LLP

Fund overview

Investment Objectives

- to achieve a total return significantly greater than that available from direct investment in quoted businesses by investing in a portfolio of carefully selected smaller companies with excellent growth prospects;
- to minimise the risk of each investment and the portfolio as a whole; and
- to obtain and maintain VCT status in order to secure the substantial tax benefits available for investment in a VCT.

Financial Summary

	31 Aug 2009	31 Aug 2008	28 Feb 2009
Ordinary shares			
Net asset value per share ("NAV")	53.10	77.60	57.70
Dividends paid per share since launch	93.45	77.95	92.45
Total return (NAV plus dividends paid since launch)	146.55	155.55	150.15
C shares			
Net asset value per share ("NAV")	72.30	81.00	75.60
Dividends paid per share since issue	4.75	2.75	3.75
Total return (NAV plus dividends paid since issue)	77.05	83.75	79.35
D shares			
Net asset value per share ("NAV")	93.45	n/a	n/a
Dividends paid per share since issue	-	n/a	n/a
Total return (NAV plus dividends paid since issue)	93.45	n/a	n/a

Financial Highlights

146.55p	Ordinary share net asset value total return per share since launch (net asset value at 31 August 2009 plus cumulative dividends paid)
77.05p	C share net asset value total return per share since launch (net asset value at 31 August 2009 plus cumulative dividends paid)
93.45p	D share net asset value total return per share since launch (net asset value at 31 August 2009 plus cumulative dividends paid)

Chairman's Statement

Introduction

The six months ended 31 August 2009 has seen stock markets start to show some signs of recovery from the financial crises of 2008 and early 2009. However, with the UK economy still in recession, many businesses continue to face difficult conditions, particularly smaller companies which typically may not be as resilient as their larger counterparts.

Whilst the Investment Manager continues to source and evaluate new investment opportunities, the primary focus during the period has been on protecting (and enhancing) value within the existing portfolio. The Board has formal regular meetings with the Investment Manager to discuss the performance of all investments and is in regular contact with the Investment Manager outside of meetings. During this very difficult period, the Investment Manager has worked on and contributed to the resilience of many of the portfolio companies. As a result, the Directors are satisfied with the overall performance of the Company.

Net Asset Values

Ordinary shares

As at 31 August 2009, the Net Asset Value ("NAV") per Ordinary share stood at 53.1p, a decrease of 3.6p per share or 6.3% since the year end (after adjusting for the dividends of 1.0p paid in the period).

C shares

As at 31 August 2009, the NAV per C share stood at 72.3p, a small decrease of 2.3p per share or 3.0% since the year end (after adjusting for the dividends of 1.0p paid in the period).

D shares

As at 31 August 2009, the NAV per D share stood at 93.4p, a small decrease compared to the initial NAV net of fundraising costs of 94.5p per share. The decrease arises from running costs which exceed the income on cash deposits.

Fundraising

Up to 31 August 2009, the "Linked D Share Offer" had raised gross proceeds for the Company of £5.3 million, which equates to £5.0 million net of fundraising costs. The Board believes this is a satisfactory outcome which helps to reduce the fixed running costs per share of all the Company's share classes. The Linked D Share Offer has been extended and will now close on 30 October 2009.

Venture capital investments

No new investments were made by any pool during the period. There was one minor realisation within the Ordinary share pool, £383,000 of Espresso Group Limited loan stock being redeemed at par.

In valuing the investment portfolio at the period end, there have been some significant movements compared to the start of the period. Overall, the Ordinary share portfolio showed an unrealised loss of £599,000 and the C share portfolio a loss of £26,000.

Further details of the developments within the investment portfolios are included in the Investment Manager's Report on pages 5 and 6.

Chairman's Statement continued

Results and dividends

The Income Statement shows a loss on ordinary activities after taxation for the Company during the period of £1,267,000 (£414,000 revenue loss and £853,000 capital loss). Details of how this is analysed between the share pools is shown on pages 11 and 14.

No interim dividends will be paid in respect of any class of shares.

Share buybacks

The Company continues to have a policy of purchasing its own shares that become available in the market in order to help provide liquidity to those Shareholders that need it. The Company currently buys in shares at approximately a 10% discount to the last published NAV.

During the period, the Company purchased 72,885 Ordinary shares at an average price of 51.0p per share. These shares were subsequently cancelled. No C shares or D shares were purchased in the period.

Risk and uncertainties

Under the Disclosure and Transparency Directive, the Board is required, in the Company's half-yearly results, to report on principal risks and uncertainties facing the Company over the remainder of the financial year.

The Board has concluded that the key risks facing the Company over the remainder of the financial period are as follows:

- i. investment risk associated with a large proportion of the ordinary share assets being invested in a single investment;
- ii. investment risk associated with investing in small and immature businesses;
- iii. investment risk arising from extremely volatile stock market conditions and their potential effect on investment valuation; and
- iv. failure to maintain approval as a VCT.

Although having a large proportion of the Ordinary share assets invested in a single investment involves additional risks, this situation is not unusual within the venture capital industry and has arisen as a result of strong growth in the value of one investment. The Board regularly reviews the position to ensure that the potential benefits of continuing to hold this investment outweigh the additional risk.

In the case of (ii) the Board is also satisfied with the Company's approach. The Investment Manager follows a rigorous process in vetting and careful structuring of new investments and, after an investment is made, close monitoring of the business. In respect of (iii), the Company seeks to hold a diversified portfolio. However, the Company's ability to manage this risk is quite limited, primarily due to the restrictions arising from the VCT regulations.

The Company's compliance with the VCT regulations is continually monitored by the Administrator, who reports regularly to the Board on the current position. The Company also retains PricewaterhouseCoopers to provide regular reviews and advice in this area. The Board considers that this approach reduces the risk of a breach of the VCT regulations to a minimal level.

Chairman's Statement continued

Outlook

With the newly-raised D share pool and the funds also available for investment within the Ordinary and C share pools, the Investment Manager is looking to make new investments alongside its ongoing monitoring/advisory role on existing investments. Despite some optimism, the general economic outlook remains uncertain. While this will continue to create challenges for the Company's investment portfolio, it may also create opportunities for the Company to make new investments at attractive valuations, which may ultimately provide the Company with strong returns. I therefore expect a number of new investments to be made over the remainder of the year.

Andrew Davison

Chairman

28 October 2009

Investment Manager's Report

Introduction

We are pleased to present our review of the investment portfolio for the six month period ended 31 August 2009. Stock market indices recovered during the period with the FTSE All Share Index increasing by over 30% between 28 February 2009 and 31 August 2009. In spite of this, the broader economic environment continues to present considerable challenges for small and medium sized enterprises and their investors with unemployment still increasing and lending constrained. We have continued to invest considerable time working with portfolio companies to reflect these conditions and to take advantage of opportunities provided by less well positioned competitors.

Portfolio activity and valuation

Ordinary share pool

At 31 August 2009, the Company's unquoted and quoted Ordinary share portfolio comprised 18 investments with a cost of £12.1 million and a valuation of £7.9 million. In addition, the Ordinary share pool held cash and liquidity funds of £4.8 million.

A significant proportion, nearly 30%, of the value of the Ordinary shares continues to be reflected in the value of Espresso Group. We spend considerable time with the company and have worked with key management to develop strategy. We continue to be very pleased with the progress of the business including the development of the non-primary school revenue streams to complement the market leading primary school product.

C share pool

At 31 August 2009, the Company's unquoted and quoted C share portfolio comprised 13 investments with a cost of £7.5 million and a valuation of £4.7 million. In addition, the C share pool held cash and liquidity funds of £5.9 million.

Value in the C share pool is more evenly spread when compared to the Ordinary share pool with no one investment accounting for more than 10% of the C share pool. The largest investments, by value, are Path Group and Fjordnet. This reflects, in part, the relative immaturity of the portfolio when compared to the Ordinary share pool.

Both the Ordinary and C share pools have seen movements in valuations reflecting both individual portfolio company circumstances and wider changes to market comparables. Notable movements include SPC (Ordinary share pool), Ashford Colour Press (Ordinary share pool), Donatantonio (Ordinary and C share pools) and Optima (Ordinary share pool).

D share pool

Fundraising for the D share pool is, at the date of this report, still ongoing having raised a total of over £5 million despite the difficult market conditions. This very pleasing result provides a firm base for further fundraising and building a diversified portfolio.

Investment Manager's Report continued

Outlook

The turmoil of the economic environment over the last twelve months has created difficult trading conditions for small and medium size enterprises. With our assistance a number of our portfolio companies have adjusted their strategies to reflect a more defensive approach and this has resulted in a reduction in their cost bases. This has provided a level of value protection and a more prudent approach in investing for the future. As our experience of previous cycles has shown, adversity can create areas of opportunity and it is good to see that a number of portfolio companies continue to see strong growth, with several following market opportunities to expand overseas.

Since 28 February 2009, the increase in stock market indices, together with improving economic sentiment in some areas, has been seen by some to be an indicator of economic recovery. Our view is that the climb to sustained positive economic growth will be slow and as such we remain wary of unproven and over optimistic business opportunities.

We are now seeing a number of investment opportunities which reflect a more mature approach to business development. Entrepreneurs are balancing reasonable investment entry prices with a preference for knowledgeable and long term partners. We expect a number of new investments to complete in the short term.

Beringea LLP

28 October 2009

Unaudited Balance Sheet

as at 31 August 2009

	31 Aug 2009 £'000	31 Aug 2008 £'000	28 Feb 2009 £'000
Fixed assets			
Investments	12,625	14,731	13,632
Current assets			
Debtors	124	888	923
Current investments	10,200	11,250	10,200
Cash at bank and in hand	10,671	3,876	2,830
Creditors: amounts falling due within one year	(5,427)	(174)	(2,708)
Net current assets	15,568	15,840	11,245
Net assets	28,193	30,571	24,877
Capital and reserves			
Called up share capital	4,900	4,862	4,850
Capital redemption reserve	172	157	169
Share premium account	4,955	14,995	14,995
Special distributable reserve	21,900	6,308	7,081
Capital reserve - realised	3,558	8,101	3,649
Investment holding losses	(6,923)	(4,303)	(6,298)
Revenue reserve	(369)	451	431
Equity shareholders' funds	28,193	30,571	24,877
Net asset value per Ordinary share:	53.1p	77.6p	57.7p
Net asset value per C share:	72.3p	81.0p	75.6p
Net asset value per D share:	93.4p	n/a	n/a

Unaudited Balance Sheet

as at 31 August 2009

Analysed by share pool

Ordinary share	31 Aug 2009 £'000	31 Aug 2008 £'000	28 Feb 2009 £'000
Fixed assets			
Investments	7,932	10,275	8,913
Current assets			
Debtors	76	707	615
Current investments	4,190	4,040	4,190
Cash at bank and in hand	595	3,817	2,711
Creditors: amounts falling due within one year	(110)	(101)	(2,605)
Net current assets	4,751	8,463	4,911
Net assets	12,683	18,738	13,824
Capital and reserves			
Called up share capital	1,194	1,208	1,197
Capital redemption reserve	170	156	167
Share premium account	-	4,836	4,836
Special distributable reserve	11,741	6,308	7,081
Capital reserve - realised	3,793	8,198	3,793
Investment holding losses	(4,140)	(2,244)	(3,542)
Revenue reserve	(75)	276	292
Equity shareholders' funds	12,683	18,738	13,824

Unaudited Balance Sheet

as at 31 August 2009

Analysed by share pool

C shares	31 Aug 2009 £'000	31 Aug 2008 £'000	28 Feb 2009 £'000
Fixed assets			
Investments	4,693	4,456	4,719
Current assets			
Debtors	47	181	308
Current investments	6,010	7,210	6,010
Cash at bank and in hand	(127)	59	119
Creditors: amounts falling due within one year	(65)	(73)	(103)
Net current assets	5,685	7,377	6,334
Net assets	10,558	11,833	11,053
Capital and reserves			
Called up share capital	3,653	3,654	3,653
Capital redemption reserve	2	1	2
Share premium account	-	10,159	10,159
Special distributable reserve	10,159	-	-
Capital reserve - realised	(212)	(97)	(144)
Investment holding losses	(2,783)	(2,059)	(2,756)
Revenue reserve	(261)	175	139
Equity shareholders' funds	10,558	11,833	11,053

Unaudited Balance Sheet

as at 31 August 2009

Analysed by share pool

D shares	31 Aug 2009 £'000	31 Aug 2008 £'000	28 Feb 2009 £'000
Fixed assets			
Investments	-	n/a	n/a
Current assets			
Debtors	1	n/a	n/a
Current investments	-	n/a	n/a
Cash at bank and in hand	10,203	n/a	n/a
Creditors: amounts falling due within one year	(5,252)	n/a	n/a
Net current assets	4,952	n/a	n/a
Net assets	4,952	n/a	n/a
Capital and reserves			
Called up share capital	53	n/a	n/a
Capital redemption reserve	-	n/a	n/a
Share premium account	4,955	n/a	n/a
Special distributable reserve	-	n/a	n/a
Capital reserve - realised	(23)	n/a	n/a
Investment holding losses	-	n/a	n/a
Revenue reserve	(33)	n/a	n/a
Equity shareholders' funds	4,952	n/a	n/a

Unaudited Income Statement

for the six months ended 31 August 2009

Company Total

	Six months ended 31 August 2009		
	Revenue £'000	Capital £'000	Total £'000
Income	184	-	184
Gains/(losses) on investments	-	(625)	(625)
	184	(625)	(441)
Investment management fee	(71)	(214)	(285)
Performance incentive fees	-	(45)	(45)
Recoverable VAT	10	31	41
Other expenses	(537)	-	(537)
Return/(loss) on ordinary activities before taxation	(414)	(853)	(1,267)
Tax on ordinary activities	-	-	-
Return/(loss) attributable to equity Shareholders	(414)	(853)	(1,267)
Basic and diluted return/(loss) per Ordinary share	(0.5p)	(3.1p)	(3.6p)
Basic and diluted return/(loss) per C share	(1.7p)	(0.6p)	(2.3p)
Basic and diluted return/(loss) per D share	(0.7p)	(0.5p)	(1.2p)

Ordinary shares

	Six months ended 31 August 2009		
	Revenue £'000	Capital £'000	Total £'000
Income	118	-	118
Gains/(losses) on investments	-	(599)	(599)
	118	(599)	(481)
Investment management fee	(41)	(123)	(164)
Performance incentive fees	-	(45)	(45)
Recoverable VAT	10	31	41
Other expenses	(213)	-	(213)
Return/(loss) on ordinary activities before taxation	(126)	(736)	(862)
Tax on ordinary activities	-	-	-
Return/(loss) attributable to equity shareholders	(126)	(736)	(862)

Six months ended 31 August 2008			Year ended 28 Feb 2009
Revenue £'000	Capital £'000	Total £'000	Total £'000
801	-	801	1,442
-	(2,917)	(2,917)	(4,865)
801	(2,917)	(2,116)	(3,423)
(73)	(218)	(291)	(572)
(56)	(121)	(177)	(826)
-	-	-	427
(142)	(14)	(156)	(271)
530	(3,270)	(2,740)	(4,665)
(145)	145	-	-
385	(3,125)	(2,740)	(4,665)
0.9p	(8.1p)	(7.2p)	(12.5p)
1.1p	(8.1p)	(7.0p)	(11.3p)
n/a	n/a	n/a	n/a

Six months ended 31 August 2008			Year ended 28 Feb 2009
Revenue £'000	Capital £'000	Total £'000	Total £'000
451	-	451	847
-	(1,763)	(1,763)	(3,014)
451	(1,763)	(1,312)	(2,167)
(42)	(127)	(169)	(283)
(56)	(121)	(177)	(826)
-	-	-	380
(62)	(9)	(71)	(128)
291	(2,020)	(1,729)	(3,024)
(73)	73	-	-
218	(1,947)	(1,729)	(3,024)

Unaudited Income Statement

for the six months ended 31 August 2009

C shares

	Six months ended 31 August 2009		
	Revenue £'000	Capital £'000	Total £'000
Income	56	-	56
Gains/(losses) on investments	-	(26)	(26)
	56	(26)	30
Investment management fee	(23)	(68)	(91)
Performance incentive fees	-	-	-
Recoverable VAT	-	-	-
Other expenses	(288)	-	(288)
Return/(loss) on ordinary activities before taxation	(255)	(94)	(349)
Tax on ordinary activities	-	-	-
Return/(loss) attributable to equity shareholders	(255)	(94)	(349)

D shares

	Six months ended 31 August 2009		
	Revenue £'000	Capital £'000	Total £'000
Income	10	-	10
Gains/(losses) on investments	-	-	-
	10	-	10
Investment management fee	(7)	(23)	(30)
Performance incentive fees	-	-	-
Recoverable VAT	-	-	-
Other expenses	(36)	-	(36)
Return/(loss) on ordinary activities before taxation	(33)	(23)	(56)
Tax on ordinary activities	-	-	-
Return/(loss) attributable to equity shareholders	(33)	(23)	(56)

Six months ended 31 August 2008			Year ended 28 Feb 2009
Revenue £'000	Capital £'000	Total £'000	Total £'000
350	-	350	595
-	(1,154)	(1,154)	(1,851)
350	(1,154)	(804)	(1,256)
(31)	(91)	(122)	(289)
-	-	-	-
-	-	-	47
(80)	(5)	(85)	(143)
239	(1,250)	(1,011)	(1,641)
(72)	72	-	-
167	(1,178)	(1,011)	(1,641)

Six months ended 31 August 2008			Year ended 28 Feb 2009
Revenue £'000	Capital £'000	Total £'000	Total £'000
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 August 2009

	31 Aug 2009			Total £'000	31 Aug 2008	28 Feb 2009
	Ordinary Shares £'000	C Shares £'000	D Shares £'000		Total £'000	Total £'000
Opening Shareholders' funds	13,824	11,053	-	24,877	33,569	33,569
Proceeds from share issues	-	-	5,154	5,154	1,210	1,211
Share issue costs	-	-	(146)	(146)	(66)	(67)
Purchase of own shares	(38)	-	-	(38)	(260)	(384)
Total recognised gain/(loss) for the year	(862)	(349)	(56)	(1,267)	(2,740)	(4,665)
Distributions	(241)	(146)	-	(387)	(1,142)	(4,787)
Closing Shareholders' funds	12,683	10,558	4,952	28,193	30,571	24,877

Unaudited Cash Flow Statement

for the six months ended 31 August 2009

	Note	Six months ended 31 August 2009 £'000	Six months ended 31 August 2008 £'000	Year ended 28 Feb 2009 £'000
Net cash outflow from operating activities	A	433	(174)	(19)
Capital expenditure				
Purchase of investments		-	(3,274)	(4,708)
Disposal of investments		383	4,366	5,465
Net cash inflow/(outflow) from capital expenditure		383	1,092	757
Equity distributions paid		(386)	(1,142)	(4,787)
Management of liquid resources				
Purchase of current investments held as liquidity funds		-	-	(10,200)
Withdrawal from liquidity funds		-	1,100	12,350
Net cash inflow/(outflow) from liquid resources		-	1,100	2,150
Net cash inflow before financing		430	876	(1,899)
Financing				
Proceeds from share issue		7,741	1,004	2,857
Share issue costs		(292)	(66)	(67)
Purchase of own shares		(38)	(309)	(432)
Net cash inflow from financing		7,411	629	2,358
Increase/(decrease) in cash	B	7,841	1,505	459
Notes to the cash flow statement:				
A Net cash flow from operating activities				
Return/(loss) on Ordinary activities before taxation		(414)	530	1,041
Expenses charged to capital		(228)	(353)	(841)
(Increase)/decrease in debtors		799	1	(548)
Increase/(decrease) in creditors		276	(352)	329
Net cash outflow from operating activities		433	(174)	(19)
B Analysis of net funds				
Beginning of period		2,830	2,371	2,371
Net cash inflow/(outflow)		7,841	1,505	459
End of period		10,671	3,876	2,830

Summary of Investment Portfolio as at 31 August 2009

Ordinary share pool	Cost £'000	Valuation £'000	Valuation movement in the period £'000	% of portfolio by value
Top ten venture capital investments				
Espresso Group Limited	1,257	3,740	(40)	29.4%
Ashford Colour Press Limited	750	617	331	4.8%
Eagle Rock Entertainment Group Limited	420	576	34	4.5%
Saffron Media Group Limited	480	484	4	3.8%
SPC International Limited	1,618	466	(800)	3.7%
Overtis Group Limited	500	438	(62)	3.4%
Campden Media Limited	975	414	-	3.3%
Donatantonio Limited	582	400	123	3.1%
Fjordnet Limited	200	200	-	1.6%
Pilat Media Global plc*	172	207	121	1.6%
	6,954	7,542	(289)	59.2%
Other venture capital investments	5,118	390	(310)	3.2%
	12,072	7,932	(599)	62.4%
Liquidity fund investments		4,190		32.9%
Cash at bank and in hand		595		4.7%
Ordinary share pool total		12,717		100.0%
C share pool	Cost £'000	Valuation £'000	Valuation movement in the period £'000	% of portfolio by value
Top ten venture capital investments				
Path Group Limited	1,000	842	(157)	8.0%
Fjord Limited	800	800	-	7.5%
Donatantonio Limited	885	609	187	5.7%
Chess Technology Limited	600	588	(12)	5.6%
Charterhouse Leisure Limited	700	542	(19)	5.1%
SPC International Limited	403	397	(2)	3.8%
Overtis Group Limited	400	351	(49)	3.3%
Heritage Partners Limited	900	247	-	2.3%
Dianomi Limited	126	157	-	1.5%
Steak Media Limited	275	144	10	1.4%
	6,089	4,677	(42)	44.2%
Other venture capital investments	1,387	16	16	0.2%
	7,476	4,693	(26)	44.4%
Liquidity fund investments		6,010		57.0%
Cash at bank and in hand		(127)		(1.4%)
C share pool total		10,576		100.0%

No investments were held by the D share pool in the period.

All venture capital investments are unquoted unless otherwise stated.

* Quoted on AIM

Summary of Investment Movements

for the six months ended 31 August 2009

Additions

No additions were made by the Ordinary, C or D share pools in the period.

Disposals

Ordinary share portfolio

	Cost £'000	Market value at 1 March 2009 £'000	Disposal Proceeds £'000	Gain/(loss) against cost £'000	Realised gain/(loss) in period £'000
Espresso Group Limited	383	383	383	-	-

No disposals were made by the C or D share pools in the period.

Notes to the unaudited Financial Statements

1. The unaudited half yearly results cover the six months to 31 August 2009 and have been prepared in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" revised December 2005 ("SORP") and in accordance with the accounting policies set out in the statutory accounts for the year ended 28 February 2009 which were prepared under UK Generally Accepted Accounting Practice ("UK GAAP").
2. All revenue and capital items in the Income Statement derive from continuing operations.
3. There are no recognised gains or losses other than those disclosed in the Income Statement.
4. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.
5. The comparative figures were in respect of the period ended 31 August 2008 and the year ended 28 February 2009.
6. Return per share for the period has been calculated on the following:

	Ordinary shares	C shares	D shares
Revenue return per Share based on:			
Net revenue profit after taxation (£'000)	(126)	(255)	(33)
Weighted average number of shares in issue	24,048,320	14,617,622	4,638,322
Capital return per Share based on:			
Net revenue profit after taxation (£'000)	(736)	(94)	(23)
Weighted average number of shares in issue	24,048,320	14,617,622	4,638,322

7. NAV per share for the period has been calculated on the following:

	Ordinary shares	C shares	D shares
Net Assets (£'000)	12,683	10,558	4,952
Number of shares in issue at period end	23,874,616	14,612,777	5,299,288

Notes to the unaudited Financial Statements continued

8. Dividends

	Pence	6 months to 31 Aug 2009			6 months to 31 Aug 2008			28 Feb 2009
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Ordinary share dividends paid in period								
2009 Final	1.0	240	-	240	-	-	-	-
2009 Interim	14.5	-	-	-	-	-	-	3,504
2008 Final	1.25	-	-	-	306	-	306	302
2008 Interim	2.5	-	-	-	-	580	580	579
		<u>240</u>	<u>-</u>	<u>240</u>	<u>306</u>	<u>580</u>	<u>886</u>	<u>4,385</u>
C share dividends paid in period								
2009 Final	1.0	146	-	146	-	-	-	-
2009 Interim	1.0	-	-	-	-	-	-	146
2008 Final	1.75	-	-	-	256	-	256	256
		<u>146</u>	<u>-</u>	<u>146</u>	<u>256</u>	<u>-</u>	<u>256</u>	<u>402</u>

9. Reserves

	Capital redemption reserve £'000	Share premium account £'000	Special reserve £'000	Capital reserve - realised £'000	Unrealised holding losses £'000	Revenue reserve £'000
At 1 March 2009	169	14,995	7,081	3,649	(6,298)	431
Expenses capitalised				(228)		
Tax relief on expenses capitalised				-		
Share Issue		4,955				
Purchase of own shares		3	(39)			
Gains/(losses) on investments					(625)	
Retained revenue						(414)
Distributions paid						(386)
Transfer between reserves		(14,995)	14,858	137		
At 31 August 2009	<u>172</u>	<u>4955</u>	<u>21,900</u>	<u>3,558</u>	<u>(6923)</u>	<u>(369)</u>

10. Contingent liabilities, guarantees and financial commitments

The Company has guaranteed bank borrowings of one of its investments, Donatantonio Limited, amounting to £225,000. A third party has provided a guarantee to the Company amounting to £112,500 in respect of the above guarantee such that the Company's net exposure is £112,500.

Apart from the above, the Company has no Contingent liabilities, guarantees and financial commitments.

Notes to the unaudited Financial Statements continued

11. The unaudited financial statements set out herein 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 figures for the year ended 28 February 2009 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 was unqualified.
12. The Directors confirm that, to the best of their knowledge, the half-yearly financial statements have been prepared in accordance with the "Statement: Half-Yearly Financial Reports" issued by the UK Accounting Standards Board and the half-yearly financial report includes a fair review of the information required by:
 - a. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.
13. Copies of the unaudited half-yearly results will be sent to Shareholders. Further copies can be obtained from the Company's Registered Office and will be available for download from www.provenvcts.com and www.downing.co.uk.

Shareholder Information

Websites

Latest financial information, including information on recent investment transactions, newsletters and electronic copies of Annual Reports, Half-Yearly Reports and Interim Management Statements can be found on the Company's website: www.provenvcts.com.

Dividend history, links to Company announcements and other financial information can be found on Downing's website at www.downing.co.uk by clicking on "VCT Information and Accounts". Shareholders can also check details of their shareholdings using Capita Registrar's website at www.capitaregistrars.com, by clicking on "Shareholders".

Dividends

Dividends are paid by the registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Queries relating to dividends and requests for mandate forms should therefore be directed to the Company's registrar, Capita Registrars, whose details are on the back cover of this document.

Share Price

The Company's share prices can be found on various financial websites with the following TIDM/EPIC code:

TIDM/EPIC code	"PVN"	"PVNC"	"PVND"
Latest share price (28 October 2009):	50.0p per share	66.0p per share	100.0p per share

Buying and selling shares

The Company's shares can be bought and sold in the same way as any other company listed on the London Stock Exchange using a stockbroker. Disposing of your shares may have tax implications, therefore, you should contact your independent financial adviser if you have any queries.

The Company operates a policy of buying its own shares for cancellation as they become available. The Company is, however, unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. Downing Management Services Limited is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares. Contact details are shown on the back cover of this document.

Notification of change of address

Communications with Shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's registrar, Capita Registrars, under the signature of the registered holder.

Directors

Andrew Davison (Chairman)
Barry Dean
Nicholas Lewis
Malcolm Moss

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Registered No. 3911323

Registrar

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(calls cost 10p per minute plus network extras,
lines open 8:30am to 5:30pm Monday to Friday)