

ProVen Growth & Income VCT plc
Half-Yearly Report
for the six months ended 31 August 2010



Managed by
Beringea LLP

Fund Investment Objectives

- to achieve a total return 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.

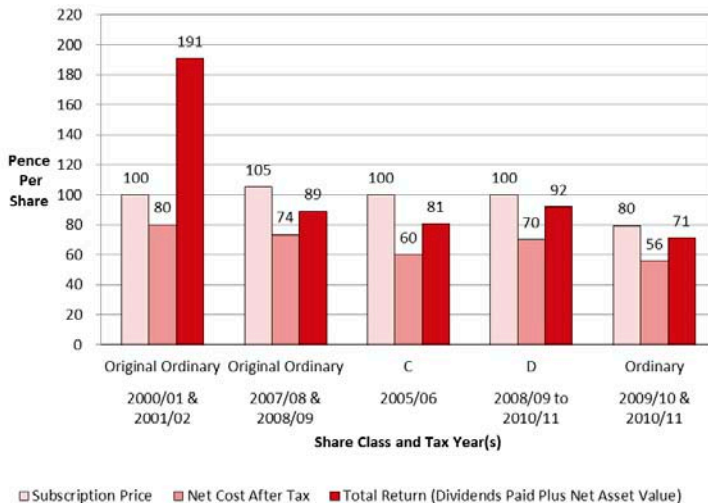
Financial Summary

	31 Aug 2010	31 Aug 2009	28 Feb 2010
Ordinary shares*			
Net asset value per share	71.3p	n/a	74.1p
'D' shares			
Net asset value per share	91.9p	93.4p	92.3

**The current ordinary shares were created in October 2009 from the merger of Ordinary shares issued in 2000/01 and 2001/02 and 'C' shares issued in 2005/06. Further issues of Ordinary shares were made in 2009/10 and 2010/11.*

Shareholder Investment and Returns Analysis

The chart below shows the original subscription price, net cost after tax (assuming full income tax relief at the rate ruling at the time of investment) and total return (net asset value and dividends paid) for each share class and tax year fundraising, as at 31 August 2010. No account has been taken of the possible benefit of any capital gains tax deferral (available for new investments up to and including tax year 2003/2004) or of additional shares that may have been available through early bird or financial intermediary discounts.



Chairman's Statement

Introduction

I am pleased to present my first report to Shareholders since taking over as Chairman of the Company at the Annual General Meeting in August 2010. On behalf of the other directors and myself, I would like to thank Andrew Davison for his wise counsel throughout the years he chaired the Company and look forward to continuing to hear his views as a result of his ongoing role as chairman of ProVen VCT plc.

The six-month period ended 31 August 2010 has seen a reasonably stable overall performance by each of the Company's share pools, with falls in the value of some investments generally being offset by the better performing investments. The uncertain economic outlook has continued to produce a challenging environment for new investment activities, although I am pleased to report an increased level of activity in recent months.

Net asset values

Ordinary shares

As at 31 August 2010, the net asset value ("NAV") per Ordinary share stood at 71.3p, a decrease of 2.8p per share or 3.8% since the year end.

'D' shares

As at 31 August 2010, the NAV per 'D' share stood at 91.9p, an increase of 0.4p per share or 0.4% since the year end.

Fundraising

As reported previously, the Ordinary Share Top-Up Offer raised in conjunction with ProVen VCT plc and ProVen Health VCT plc closed on 28 May 2010 having raised £0.7 million for ProVen Growth and Income VCT plc.

The Linked 'D' Share Offer with ProVen VCT plc closed on 29 October 2010 having raised a total of approximately £2.6 million for the Company.

Venture capital investments

Ordinary share portfolio

During the period, the Ordinary share pool made two follow-on investments at a total cost of £489,000 and had one realisation in the form of repayment of Overtis Group loan notes at par.

The net effect of investment valuation movements over the period was an unrealised loss of £606,000.

'D' share portfolio

The 'D' share pool completed its first investment during the period, being £504,000 into Tossed Limited.

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 for the period of £803,000 (£7,000 revenue loss and £796,000 capital loss). Details of how this is analysed between the share pools is shown on pages 13 to 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 has a current policy of purchasing Ordinary shares at a price equivalent to a 10% discount to the latest published NAV and at a 5% discount in respect of 'D' shares.

During the period, the Company purchased 225,885 Ordinary shares at an average price of 66.1p per share and 55,698 'D' shares at an average price of 92.4p per share. These shares were subsequently cancelled.

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 year are as follows:

- i. investment risk associated with investing in small and immature businesses;
- ii. investment risk arising from extremely volatile stock market conditions and their potential effect on investment valuation; and
- iii. failure to maintain approval as a VCT.

In the case of (i), the Board is 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 (ii), the Company seeks to hold a diversified portfolio within the restrictions of 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.

Outlook

Recent economic events have created conditions which are not only presenting barriers to completing good quality new investments at realistic prices but also extending the period it takes to complete them. The Investment Manager has, however, completed three new investments since the period end and I am therefore confident that the Company is well placed to reach its investment targets in the future.

Marc Vlessing
Chairman
29 October 2010

Investment Manager's Report

Introduction

We are pleased to present our review of the investment portfolio for the six month period ended 31 August 2010. Against a backdrop of mixed economic news and continuing economic uncertainty we continue to focus on what we can do both to enhance existing portfolio company value and to take advantage of new investment opportunities. We are in regular dialogue with portfolio company management regarding strategy and commercial issues and actively review up-to-date management and financial information; we have reviewed many new investment opportunities and made a number of new and follow-on investments, some of which occurred after the period end but prior to the date of this report. Additionally, some potential investments which, for various reasons, were not suitable or did not proceed, are being monitored so that we are well positioned to consider future investment if the opportunity arises.

The following commentary is designed to provide investors with an overview of the portfolio during the period whilst ensuring that sensitive information which could ultimately affect the returns of both portfolio companies and their investors (including the Company), is not disclosed.

Portfolio activity and valuation

Ordinary share pool

At 31 August 2010, the Company's Ordinary share portfolio comprised holdings in 25 companies, 21 of which were unquoted and 4 quoted, with a cost of £16.7 million and a valuation of £14.4 million. In addition, the Ordinary shares held cash and liquidity funds of £3.1 million. Two follow-on investments were made in the period: £246,000 in Steak Media and a short term loan of £243,000 in Overtis Group. The trading subsidiary of the Vending Corporation went into administration early in the period (as outlined in the annual report to 28 February 2010) and has been treated as realised. The Company redeemed its loan notes in Overtis Group following the disposal of its solutions division to AIM quoted Digital Barriers plc. Overtis is now focussed on developing its VigilancePro® user activity management software. This software is relevant across all business sectors and is being used, with considerable success, by a number of police forces across the UK where the protection of data is paramount.

Espresso Group and Fjordnet together account for approximately 25% of the value of the Ordinary share pool. During the period Espresso announced the expansion of its primary school product, Espresso Primary, into the US market through a partnership with a specialist US company called Defined Learning, Inc. The company's UK market continues to hold up well with high renewal rates for the core primary and secondary school products. Fjordnet is a digital media agency, an area in which we have particular experience. The investment has exceeded our initial expectations and is, we believe, well positioned for future growth. Within the remaining portfolio there have been a number of strongly performing companies across a number of sectors and we are optimistic that there is further value to be achieved over time.

The Ordinary share pool decreased in value by £606,000 over the period reflecting both individual portfolio company circumstances and wider changes to market comparables. Notable valuation movements since 28 February 2010 included Donatantonio, Overtis, Steak Media, Path Group and Heritage Partners.

'D' share pool

The 'D' share pool made its first investment during the period, a £504,000 investment in healthy eating outlet chain Tossed alongside the Ordinary share pool and ProVen VCT. At 31 August 2010, the pool held cash and liquidity funds totalling £7.1 million, some of which was utilised by investments completed after the period end and outlined in more detail below.

Post period end portfolio activity

In the period since 31 August 2010, the Company completed the following new investments from the 'D' share pool:

- Monica Vinader Limited, a high end fashion jewellery brand, £138,000;
- Senselogix Limited, a provider of energy savings solutions, £69,000; and
- Speed-Trap Limited, which provides real time analysis of online customer behaviour, £295,000.

Outlook

The period since 28 February 2010 to the date of this report has seen a number of new investments and continued support of the existing portfolio. We are also looking at a number of interesting investment opportunities. The full impact of the UK government's spending review announced earlier this month will obviously take time to feed through the economic system but undoubtedly new opportunities will be created for investors. With a significant portion of the 'D' share funds in low risk cash and cash equivalents, the Company is well placed to take advantage of any opportunities that may arise.

Beringea LLP

29 October 2010

Unaudited Balance Sheet

as at 31 August 2010

Company Total

	31 Aug 2010 £'000	31 Aug 2009 £'000	28 Feb 2010 £'000
Fixed assets			
Investments	14,928	13,624	15,270
Current assets			
Debtors	92	5,318	969
Current investments	2,500	2,500	2,500
Cash at bank and in hand	7,695	619	5,007
Creditors: amounts falling due within one year	(266)	(230)	(1,086)
Net current assets	10,021	8,207	7,390
Net assets	24,949	21,831	22,660
Capital and reserves			
Called up share capital	477	1,105	438
Capital redemption reserve	947	275	943
Share premium account	8,418	4,955	5,167
Special distributable reserve	18,099	20,771	19,381
Capital reserve - realised	(105)	139	(35)
Unrealised holding losses	(2,231)	(5,062)	(2,636)
Revenue reserve	(656)	(352)	(598)
Equity shareholders' funds	24,949	21,831	22,660
Net asset value per share:			
Ordinary share	71.3p	n/a	74.1p
Original ordinary share	n/a	43.6p*	n/a
'C' share	n/a	70.7p	n/a
'D' share	91.9p	93.4p	92.3p

*This does not include the 'C' shares that were converted into Ordinary shares on 26 October 2009

Unaudited Balance Sheet

as at 31 August 2010

Ordinary shares

	31 Aug 2010 £'000	31 Aug 2009* £'000	28 Feb 2010* £'000
Fixed assets			
Investments	14,424	13,624	15,270
Current assets			
Debtors	87	126	380
Current investments	1,250	2,500	1,250
Cash at bank and in hand	1,844	803	1,249
Creditors: amounts falling due within one year	(209)	(174)	(588)
Net current assets	2,972	3,255	2,291
Net assets	17,396	16,879	17,561
Capital and reserves			
Called up share capital	395	1,052	383
Capital redemption reserve	946	275	943
Share premium account	681	-	-
Special distributable reserve	18,099	20,771	19,381
Capital reserve - realised	21	167	34
Unrealised holding losses	(2,231)	(5,062)	(2,636)
Revenue reserve	(515)	(324)	(544)
Equity shareholders' funds	17,396	16,879	17,561
Net asset value per Ordinary share	71.3p	43.6p	74.1p

*Includes 'C' shares prior to their conversion into Ordinary shares on 26 October 2009

Unaudited Balance Sheet

as at 31 August 2010

'D' shares

	31 Aug 2010 £'000	31 Aug 2009 £'000	28 Feb 2010 £'000
Fixed assets			
Investments	504	-	-
Current assets			
Debtors	5	5,192	589
Current investments	1,250	-	1,250
Cash at bank and in hand	5,851	(184)	3,758
Creditors: amounts falling due within one year	(57)	(56)	(498)
Net current assets	7,049	4,952	5,099
Net assets	7,553	4,952	5,099
Capital and reserves			
Called up share capital	82	53	55
Capital redemption reserve	1	-	-
Share premium account	7,737	4,955	5,167
Special distributable reserve	-	-	-
Capital reserve - realised	(126)	(28)	(69)
Unrealised holding losses	-	-	-
Revenue reserve	(141)	(28)	(54)
Equity shareholders' funds	7,553	4,952	5,099
Net asset value per 'D' share	91.9p	93.4p	92.3p

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 August 2010

	31 Aug 2010			31 Aug 2009	28 Feb 2010
	Ordinary	'D'	Total	Total	Total
	shares	shares			
	£'000	£'000	£'000	£'000	£'000
Opening Shareholders' funds	17,561	5,099	22,660	22,945	22,945
Proceeds from share issues	737	2,749	3,486	5,154	5,526
Share issue costs	(40)	(152)	(192)	(146)	(304)
Purchase of own shares	(151)	(51)	(202)	(3,924)	(4,046)
Total recognised gain/(loss) for the year	(711)	(92)	(803)	(908)	(171)
Distributions paid in the period	-	-	-	(1,290)	(1,290)
Closing Shareholders' funds	17,396	7,553	24,949	21,831	22,660

Unaudited Income Statement

for the six months ended 31 August 2010

Company Total

	Six months ended 31 August 2010		
	Revenue £'000	Capital £'000	Total £'000
Income	164	-	164
Gains/(losses) on investments	-	(606)	(606)
	164	(606)	(442)
Investment management fee	(63)	(190)	(253)
Performance incentive fees	-	-	-
Recoverable VAT	-	-	-
Other expenses	(108)	-	(108)
Return/(loss) on ordinary activities before taxation	(7)	(796)	(803)
Tax on ordinary activities	-	-	-
Return/(loss) attributable to equity shareholders	(7)	(796)	(803)
Basic and diluted return/(loss) per Ordinary share	0.1p	(3.0p)	(2.9p)
Basic and diluted return/(loss) per Original ordinary share	n/a	n/a	n/a
Basic and diluted return/(loss) per 'C' share	n/a	n/a	n/a
Basic and diluted return/(loss) per 'D' share	(0.5p)	(0.7p)	(1.2p)

Six months ended 31 August 2009			Year ended 28 Feb 2010
Revenue £'000	Capital £'000	Total £'000	Total £'000
292	-	292	243
-	(171)	(171)	967
292	(171)	121	1,210
(66)	(199)	(265)	(474)
(7)	(184)	(191)	(191)
-	-	-	1
(573)	-	(573)	(717)
(354)	(554)	(908)	(171)
-	-	-	-
(354)	(554)	(908)	(171)
n/a	n/a	n/a	(0.2p)
1.0p	(0.4p)	0.6p	n/a
(1.7p)	(2.1p)	(3.8p)	n/a
(0.7p)	(0.7p)	(1.4p)	(2.6p)

Unaudited Income Statement

for the six months ended 31 August 2010

Analysed by share class:

Ordinary shares

	Six months ended 31 August 2010		
	Revenue £'000	Capital £'000	Total £'000
Income	151	-	151
Gains/(losses) on investments	-	(606)	(606)
	151	(606)	(455)
Investment management fee	(44)	(134)	(178)
Performance incentive fees	-	-	-
Recoverable VAT	-	-	-
Other expenses	(78)	-	(78)
Return/(loss) on ordinary activities before taxation	29	(740)	(711)
Tax on ordinary activities	-	-	-
Return/(loss) attributable to equity shareholders	29	(740)	(711)

'D' shares

	Six months ended 31 August 2010		
	Revenue £'000	Capital £'000	Total £'000
Income	13	-	13
Gains/(losses) on investments	-	-	-
	13	-	13
Investment management fee	(19)	(56)	(75)
Performance incentive fees	-	-	-
Recoverable VAT	-	-	-
Other expenses	(30)	-	(30)
Return/(loss) on ordinary activities before taxation	(36)	(56)	(92)
Tax on ordinary activities	-	-	-
Return/(loss) attributable to equity shareholders	(36)	(56)	(92)

Six months ended 31 August 2009*			Year ended 28 Feb 2010*
Revenue £'000	Capital £'000	Total £'000	Total £'000
282	-	282	217
-	(171)	(171)	967
282	(171)	111	1,184
(56)	(171)	(227)	(382)
(7)	(184)	(191)	(191)
-	-	-	1
(545)	-	(545)	(660)
(326)	(526)	(852)	(48)
-	-	-	-
(326)	(526)	(852)	(48)

Six months ended 31 August 2009			Year ended 28 Feb 2010
Revenue £'000	Capital £'000	Total £'000	Total £'000
10	-	10	26
-	-	-	-
10	-	10	26
(10)	(28)	(38)	(92)
-	-	-	-
-	-	-	-
(28)	-	(28)	(57)
(28)	(28)	(56)	(123)
-	-	-	-
(28)	(28)	(56)	(123)

*Represents original ordinary shares only prior to merger with 'C' share pool on 26 October 2009

Unaudited Cash Flow Statement

for the six months ended 31 August 2010

	Note	Six months ended 31 August 2010 £'000	Six months ended 31 August 2009 £'000	Year ended 28 Feb 2010 £'000
Net cash outflow from operating activities	A	(140)	(4,442)	(543)
Capital expenditure				
Purchase of investments		(993)	-	(643)
Disposal of investments		729	147	283
Net cash (outflow)/inflow from capital expenditure		(264)	147	(360)
Equity distributions paid		-	(1,290)	(1,290)
Management of liquid resources				
Purchase of current investments held as liquidity funds		-	-	(1,250)
Withdrawal from liquidity funds		-	5,050	6,300
Net cash inflow from liquid resources		-	5,050	5,050
Net cash (outflow)/inflow before financing		(404)	(535)	2,857
Financing				
Proceeds from share issue		3,486	5,008	5,526
Share issue costs		(192)	(902)	(304)
Purchase of own shares		(202)	(3,925)	(4,045)
Net cash inflow from financing		3,092	181	1,177
Increase/(decrease) in cash	B	2,688	(354)	4,034
Notes to the cash flow statement:				
A Net cash flow from operating activities				
Loss on ordinary activities before taxation		(7)	(354)	(599)
Expenses charged to capital		(190)	(383)	(539)
Decrease/(increase) in debtors		877	(3,804)	544
(Decrease)/increase in creditors		(820)	99	51
Net cash outflow from operating activities		(140)	(4,442)	(543)
B Analysis of net funds				
Beginning of period		5,007	973	973
Net cash inflow/(outflow)		2,688	(354)	4,034
End of period		7,695	619	5,007

Summary of Investment Portfolio

as at 31 August 2010

Ordinary share pool	Cost £'000	Valuation £'000	Valuation movement in the period £'000	% of portfolio by value
Top ten venture capital investments (by value)				
Espresso Group Limited	1,583	2,381	109	13.7%
Fjordnet Limited	1,400	2,044	27	11.7%
Donatantonio Limited	1,366	1,293	403	7.4%
Charterhouse Leisure Limited	1,000	1,235	-	7.0%
Lazurite Limited	1,000	946	(17)	5.4%
Prelude Media Limited	1,000	941	(18)	5.4%
Overtis Group Limited	607	847	259	4.8%
Eagle Rock Entertainment Group Limited	680	776	(404)	4.4%
Saffron Media Group Limited	670	773	(117)	4.4%
SPC International Limited	625	685	123	3.9%
	9,931	11,921	365	68.1%
Other venture capital investments	6,725	2,503	(971)	14.3%
	16,656	14,424	(606)	82.4%
Liquidity fund investments		1,250		7.1%
Cash at bank and in hand		1,844		10.5%
Ordinary share pool total		17,518		100.0%
'D' share pool				
	Cost £'000	Valuation £'000	Valuation movement in the period £'000	% of portfolio by value
Venture capital investments (by value)				
Tossed Limited	504	504	-	6.6%
	504	504	-	6.6%
Liquidity fund investments		1,250		16.5%
Cash at bank and in hand		5,851		76.9%
'D' share pool total		7,605		100.0%

All venture capital investments are unquoted unless otherwise stated.

Summary of Investment Movements

for the six months ended 31 August 2010

Additions						Cost £'000
Ordinary share pool						
Steak Media Limited						246
Overtis Group Limited						243
						489
'D' share pool						
Tossed Limited						504
						504
Disposals						
	Cost £'000	Market value at 1 March 2010* £'000	Disposal Proceeds £'000	Gain/(loss) against cost £'000	Realised gain/(loss) in period £'000	
Ordinary share pool						
The Vending Corporation Limited	1,012	-	-	(1,012)	-	
Overtis Group Limited	729	729	729	-	-	
	1,741	729	729	(1,012)	-	

No disposals were made by the 'D' share pool in the period. * Adjusted for investments made since 1 March 2010

Notes to the Unaudited Financial Statements

- The unaudited half-yearly results cover the six months to 31 August 2010 and have been prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"). Where presentational guidance set out in the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" revised January 2009 ("SORP") is consistent with the requirements of UK GAAP, the directors have sought to prepare the financial statements on a consistent basis compliant with the recommendations of the SORP.
- All revenue and capital items in the Income Statement derive from continuing operations.
- There are no recognised gains or losses other than those disclosed in the Income Statement.
- The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.
- The comparative figures were in respect of the period ended 31 August 2009 and the year ended 28 February 2010.
- Return per share for the period has been calculated on the following:

	Ordinary shares	'D' shares
Revenue return per share based on:		
Net revenue profit/(loss) after taxation (£'000)	29	(36)
Weighted average number of shares in issue	24,403,251	7,691,580
Capital return per share based on:		
Net capital profit/(loss) after taxation (£'000)	(740)	(56)
Weighted average number of shares in issue	24,403,251	7,691,580

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

	Ordinary shares	'D' shares
Net Assets (£'000)	17,396	7,553
Number of shares in issue at period end	24,385,361	8,218,712

Notes to the Unaudited Financial Statements (continued)

8. Dividends

	6 months to 31 Aug 2010			6 months to 31 Aug 2009			28 Feb 2010
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Ordinary share dividends paid in period							
2009 Final	-	-	-	34	921	955	955
	-	-	-	34	921	955	955
'C' share dividends paid in period							
2009 Final	-	-	-	212	123	335	335
	-	-	-	212	123	335	335

No dividends have been paid in respect of the 'D' shares to date.

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 2010	943	5,167	19,381	(35)	(2,636)	(598)
Purchase of own shares	4	-	(151)	-	-	(51)
Issue of new shares	-	3,251	-	-	-	-
Expenses capitalised	-	-	-	(190)	-	-
Tax relief on capital expenses	-	-	-	-	-	-
Gains/(losses) on investments	-	-	-	-	(606)	-
Retained revenue	-	-	-	-	-	(7)
Transfer between reserves	-	-	(1,131)	120	1,011	-
Distributions paid	-	-	-	-	-	-
At 31 August 2010	947	8,418	18,099	(105)	(2,231)	(656)

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.

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 2010 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**. 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 price can be found on various financial websites with the following TIDM/EPIC code:

TIDM/EPIC code	Ordinary shares "PGOO"	'D' shares "PGOD"
Latest share price (28 October 2010):	55.0p per share	88.0p per share

Following the 'C' share conversion and Ordinary share consolidation, the new Ordinary shares have the TIDM code of "PGOO". Previously, Ordinary shares had a TIDM of "PGO" and 'C' shares of "PGOC".

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.

Share scam warning

We have become aware that a significant number of shareholders of VCTs managed by both Beringea and other VCT houses have recently received unsolicited telephone calls from a company purporting to be acting on behalf of a client who is looking to acquire their VCT shares at an attractive price. We believe these calls to be part of a "Boiler Room Scam". Shareholders are warned to be very suspicious if they receive any similar type of telephone call.

If you have any questions, or receive any calls, then please advise us at info@beringea.co.uk or call Beringea on 020 7845 7820.

Directors

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