

ProVen Growth & Income VCT plc
Half-Yearly Report
For the Six Months Ended 31 August 2011



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

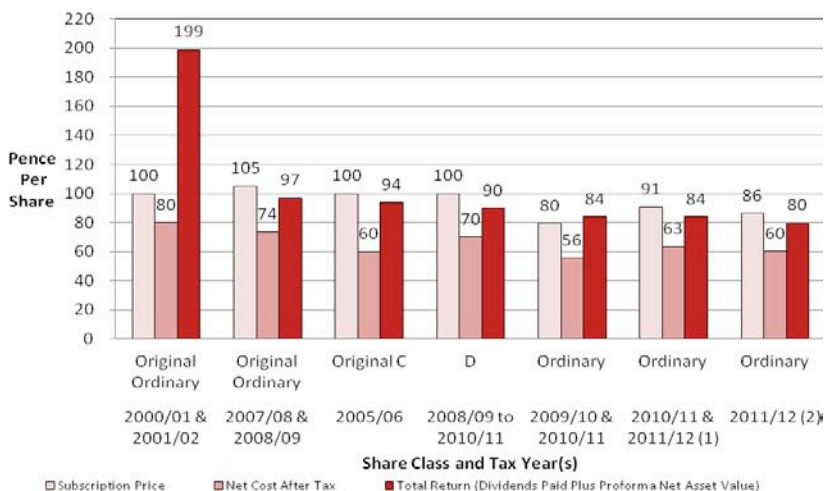
	31 Aug 2011 Pence	28 Feb 2011 Pence	31 Aug 2010 Pence
Ordinary Shares*			
Net asset value per share ("NAV")	79.7	86.4	71.3
Dividends paid**	4.5	-	-
Total return (NAV plus dividends paid since share class merger)	84.2	86.4	71.3
'D' Shares			
Net asset value per share ("NAV")	89.9	90.0	91.9

* 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.

** Dividends paid represents dividends paid since the Original Ordinary and 'C' Share classes were merged. Dividends of 146.9p per Original Ordinary Share and 9.6p per 'C' Share were paid prior to the share classes merging.

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 the investment) and total return (net asset value and dividends paid) for each share class and tax year fundraising, as at 31 August 2011. The ordinary share funds raised in 2011/12 were issued at either 90.6p per share, prior to 3 June 2011, or 86.3p per share, after 3 June 2011. 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

The six months ended 31 August 2011 saw a period of high stock market volatility, which has renewed fears that economic recovery may be some way away. The Board takes some reassurance from the performance of the Company's investment portfolios over this period, which has resulted in both share pools experiencing only small falls in net asset value per share.

Net asset values

Ordinary Shares

As at 31 August 2011, the net asset value ("NAV") per Ordinary Share stood at 79.7p, a decrease of 2.2p per share or 2.6% since the year end (after adjusting for the 4.5p dividend paid in the period).

'D' Shares

As at 31 August 2011, the NAV per 'D' Share stood at 89.9p, a decrease of 0.1p per share or 0.1% since the year end.

Fundraising

During the period, the Company continued to raise funds under its Ordinary Share offer for subscription which opened on 10 December 2010. The offer has raised gross funds of £9.6 million to date and is due to close on 31 October 2011.

Venture capital investments

Ordinary Share portfolio

During the period, the Ordinary Share pool made two follow-on investments at a total cost of £333,000 and also realised the investment in Steak Media Limited, producing a realised gain against original cost of £313,000.

The net effect of investment valuation movements over the period was an unrealised loss of £764,000 alongside net realised gains of £209,000.

'D' Share portfolio

The 'D' Share pool completed one new and two follow-on investments during the period, at a total cost of £330,000.

The net effect of investment valuation movements over the period was an unrealised gain of £65,000.

Further details of the developments within the investment portfolios are included in the Investment Manager's Report on pages 7 and 8.

Results and dividends

The Income Statement shows a loss on ordinary activities after taxation for the Company during the period of £732,000 (£28,000 revenue profit and £760,000 capital loss). Details of how this is analysed between the share pools is shown in the detailed Income Statement on page 13. No interim dividends will be paid in respect of either class of shares.

Board changes

I announced at the Annual General Meeting on 24 August 2011 that Nicholas Lewis had decided to step down as a non-executive Director of the Company to focus on his other business interests. Nick had been a Director of the Company since its launch in 2001 and, in that time, made a considerable contribution to the Company. I, and my fellow Directors, wish him well in his other ventures.

On the same date, I also announced the appointment of Natasha Christie-Miller who has joined the Board as a new non-executive Director. Natasha has an extensive background in the media sector and brings an additional dynamic to the Board. We welcome Natasha to the Board and look forward to working with her.

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 523,808 Ordinary Shares at an average price of 74.7p per share and 25,597 'D' Shares at an average price of 85.8p per share. These shares were subsequently cancelled.

Dividend policy

I would like to thank Shareholders for the good level of response that the Company received to the dividend survey that was sent out with the last Annual Report. You may recall that the questionnaire sought views as to whether Shareholders had a preference for maximised, but potentially irregular, dividends or regular dividends of a consistent level and also how the management of the NAV per share should impact on dividend policy.

The results indicated that Shareholders have mixed views in this area. The Board has therefore given consideration to what policy might present a fair approach for most Shareholders. The Board's initial conclusion has been that the Company should seek to maximise dividends paid to Shareholders, but with the caveat that we seek to gradually increase underlying NAV per share where possible.

Chairman's Statement (continued)

Risks 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. However, the Company's ability to manage this risk is quite limited, primarily due to the restrictions arising from the VCT regulations and the general nature of investing in small unquoted businesses.

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.

Going concern

The Company has considerable financial resources both at the period end and at the date of this report, and holds a diversified portfolio of investments. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, they believe that the Company continues to be a going concern and that it is appropriate to apply the going concern basis in preparing the financial statements.

Outlook

The economic outlook for the UK remains uncertain, along with even greater concerns within the Eurozone. Although these conditions do not support the pursuit of profitable realisations, there remains a market for quality businesses as the recent disposals of Saffron Media Group and Steak Media demonstrate and, at this point in time the Board is satisfied that the portfolio comprises a number of good quality businesses across a range of sectors which have the potential to thrive even in the current environment.

As well as working closely with the existing portfolio, over the remainder of the financial year the Manager will continue to devote substantial resources to new investing activities as the task of building the 'D' Share portfolio progresses and investing the new Ordinary Share pool funds gets underway.

Marc Vlessing

Chairman

27 October 2011

Investment Manager's Report

Introduction

We have pleasure in presenting our half-yearly report to 31 August 2011 for ProVen Growth & Income VCT plc. Against a background of continuing stock market volatility and challenging trading conditions, we continue to work with existing portfolio companies to maximise shareholder value and to seek new investment opportunities in areas where we believe that the broader economic risks will be mitigated by strong market spend. A good example of the latter area in recent years has been the investments made by the Company in new digital technologies and related support services where there has been notable success.

Portfolio activity and valuation

Ordinary Share pool

At 31 August 2011, the Company's Ordinary Share portfolio comprised holdings in 22 companies, of which 18 were unquoted and 4 were quoted, at a valuation of £13.7 million and original acquisition cost of £14.2 million. In addition, the Ordinary Share pool held £13.6 million in cash and liquidity funds. The majority of these liquid funds have followed from the recent successful fundraising and we look forward to making further new investments in due course.

Further funding was provided to Overtis Group (£220,000) and Campden Media (£113,000) during the period. The Company's holding in Steak Media was sold in May 2011, which we reported in the 2011 Annual Report. In addition to the initial profit on sale, there is also deferred consideration dependent on future performance which would result in further proceeds.

Within the existing portfolio, Espresso is the largest investment in value terms accounting for 18% of the venture capital portfolio. The company continued to perform strongly over the period. Fjordnet and Donatantonio are the other investments which account for over 14% and 12% respectively, by value, of the portfolio. Both companies continue to perform well although their valuations have been impacted by wider market comparables used in the valuation process.

'D' Share pool

At 31 August 2011, the Company's 'D' Share portfolio comprised 8 unquoted holdings with a cost of £2.4 million and a valuation of £2.4 million. In addition, the 'D' Share pool held £5.1 million in cash and liquidity funds.

The 'D' Share pool made a further new investment of £187,500, alongside ProVen VCT plc and ProVen Health VCT plc, into APM Healthcare Limited ("APM") in August 2011. APM is seeking to establish a new chain of pharmacies and will particularly focus on GP centre-based pharmacies, a fast growing segment in the industry. The team is led by a very experienced founder and manager of pharmacy chains. Further funding by ProVen Growth & Income VCT plc has been committed to implement the rollout plan and will be drawn down against agreed milestones.

Much of the investment in the 'D' Share pool has occurred relatively recently and, in accordance with established valuation guidelines, is valued at cost. We have, however, uplifted the valuation of Tossed and made provisions against the valuations of two portfolio companies.

Outlook

The UK economy continues to face a number of challenges as it seeks to balance economic growth against the need to reduce the deficit. Conditions are undoubtedly challenging for many of the portfolio companies but we are encouraged by the overall performance of many of them.

The majority of the returns to the Company's shareholders will come from portfolio company realisations and there will always be potential exit opportunities for quality companies, not just from UK acquirers but also internationally, as demonstrated by the recent disposals of Saffron Media to a Taiwanese company and Steak Media to a Japanese company. The key challenges for us, as the Investment Manager, are identifying such businesses and then helping nurture and develop them to the point where profitable realisations can be achieved. We are confident in our ability to continue doing this and therefore for the overall prospects for both share portfolios.

Beringea LLP

27 October 2011

Unaudited Balance Sheet

as at 31 August 2011

Company Total

	31 Aug 2011 £'000	31 Aug 2010 £'000	28 Feb 2011 £'000
Fixed assets			
Investments	16,061	14,928	16,821
Current assets			
Debtors	241	92	361
Current investments	2,500	2,500	2,500
Cash at bank and in hand	16,156	7,695	10,133
Creditors: amounts falling due within one year	(287)	(266)	(1,574)
Net current assets	18,610	10,021	11,420
Net assets	34,671	24,949	28,241
Capital and reserves			
Called up share capital	636	477	472
Capital redemption reserve	961	947	953
Share premium account	17,418	8,418	8,466
Special reserve	15,504	18,099	15,940
Capital reserve - realised	1,389	(105)	2,679
Revaluation reserve	(545)	(2,231)	257
Revenue reserve	(692)	(656)	(526)
Equity shareholders' funds	34,671	24,949	28,241
Net asset value per Ordinary Share:	79.7p	71.3p	86.4p
Net asset value per 'D' Share:	89.9p	91.9p	90.0p

Unaudited Balance Sheet

as at 31 August 2011

Ordinary Shares

	31 Aug 2011 £'000	31 Aug 2010 £'000	28 Feb 2011 £'000
Fixed assets			
Investments	13,709	14,424	14,865
Current assets			
Debtors	223	87	345
Current investments	1,250	1,250	1,250
Cash at bank and in hand	12,313	1,844	5,851
Creditors: amounts falling due within one year	(232)	(209)	(1,512)
Net current assets	13,554	2,972	5,934
Net assets	27,263	17,396	20,799
Capital and reserves			
Called up share capital	554	395	390
Capital redemption reserve	960	946	952
Share premium account	9,633	681	681
Special reserve	15,504	18,099	15,940
Capital reserve - realised	1,625	21	2,860
Revaluation reserve	(520)	(2,231)	347
Revenue reserve	(493)	(515)	(371)
Equity shareholders' funds	27,263	17,396	20,799
Net asset value per Ordinary Share	79.7p	71.3p	86.4p

Unaudited Balance Sheet

as at 31 August 2011

'D' Shares

	31 Aug 2011 £'000	31 Aug 2010 £'000	28 Feb 2011 £'000
Fixed assets			
Investments	2,352	504	1,956
Current assets			
Debtors	18	5	16
Current investments	1,250	1,250	1,250
Cash at bank and in hand	3,843	5,851	4,282
Creditors: amounts falling due within one year	(55)	(57)	(62)
Net current assets	5,056	7,049	5,486
Net assets	7,408	7,553	7,442
Capital and reserves			
Called up share capital	82	82	82
Capital redemption reserve	1	1	1
Share premium account	7,785	7,737	7,785
Special reserve	-	-	-
Capital reserve - realised	(236)	(126)	(181)
Revaluation reserve	(25)	-	(90)
Revenue reserve	(199)	(141)	(155)
Equity shareholders' funds	7,408	7,553	7,442
Net asset value per 'D' Share	89.9p	91.9p	90.0p

Unaudited Income Statement

for the six months ended 31 August 2011

Company Total

	Six months ended			Six months ended			Year
	31 Aug 2011			31 Aug 2010			ended
	Revenue	Capital	Total	Revenue	Capital	Total	28 Feb
	£'000	£'000	£'000	£'000	£'000	£'000	2011
Income	279	-	279	164	-	164	517
(Losses)/gains on investments	-	(490)	(490)	-	(606)	(606)	2,919
	279	(490)	(211)	164	(606)	(442)	3,436
Investment management fee	(89)	(270)	(359)	(63)	(190)	(253)	(525)
Performance incentive fees	-	-	-	-	-	-	-
Other expenses	(162)	-	(162)	(108)	-	(108)	(261)
Return/(loss) on ordinary activities before taxation	28	(760)	(732)	(7)	(796)	(803)	2,650
Tax on ordinary activities	-	-	-	-	-	-	-
Return/(loss) attributable to equity shareholders	28	(760)	(732)	(7)	(796)	(803)	2,650
Basic and diluted return/(loss) per Ordinary Share	0.2p	(2.4p)	(2.2p)	0.1p	(3.0p)	(2.9p)	11.9p
Basic and diluted (loss)/return per 'D' Share	(0.3p)	0.1p	(0.2p)	(0.5p)	(0.7p)	(1.2p)	(3.1p)

Unaudited Income Statement (continued)

for the six months ended 31 August 2011

Analysed by share class:
Ordinary Share pool

	Six months ended 31 Aug 2011			Six months ended 31 Aug 2010			Year ended 28 Feb 2011
	Revenue	Capital	Total	Revenue	Capital	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	240	-	240	151	-	151	466
(Losses)/gains on investments	-	(555)	(555)	-	(606)	(606)	3,009
	240	(555)	(315)	151	(606)	(455)	3,475
Investment management fee	(71)	(215)	(286)	(44)	(134)	(178)	(375)
Performance incentive fees	-	-	-	-	-	-	-
Other expenses	(119)	-	(119)	(78)	-	(78)	(199)
Return/(loss) on ordinary activities before taxation	50	(770)	(720)	29	(740)	(711)	2,901
Tax on ordinary activities	-	-	-	-	-	-	-

Return/(loss) attributable to equity shareholders

50 (770) (720) 29 (740) (711) 2,901

'D' Share pool

	Six months ended 31 Aug 2011			Six months ended 31 Aug 2010			Year ended 28 Feb 2011
	Revenue	Capital	Total	Revenue	Capital	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	39	-	39	13	-	13	51
Gains/(losses) on investments	-	65	65	-	-	-	(90)
	39	65	104	13	-	13	(39)
Investment management fee	(18)	(55)	(73)	(19)	(56)	(75)	(150)
Performance incentive fees	-	-	-	-	-	-	-
Other expenses	(43)	-	(43)	(30)	-	(30)	(62)
(Loss)/return on ordinary activities before taxation	(22)	10	(12)	(36)	(56)	(92)	(251)
Tax on ordinary activities	-	-	-	-	-	-	-
(Loss)/return attributable to equity shareholders	(22)	10	(12)	(36)	(56)	(92)	(251)

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 August 2011

	31 Aug 2011			31 Aug 2010	28 Feb 2011
	Ordinary Shares £'000	'D' Shares £'000	Total £'000	Total £'000	Total £'000
Opening shareholders' funds	20,799	7,442	28,241	22,660	22,660
Proceeds from share issues	9,652	-	9,652	3,486	3,537
Share issue costs	(528)	-	(528)	(192)	(195)
Purchase of own shares	(393)	(22)	(415)	(202)	(411)
Total recognised (loss)/gain for the year	(720)	(12)	(732)	(803)	2,650
Distributions paid in the period	(1,547)	-	(1,547)	-	-
Closing shareholders' funds	27,263	7,408	34,671	24,949	28,241

Unaudited Cash Flow Statement

for the six months ended 31 August 2011

	Note	Six months ended 31 Aug 2011 £'000	Six months ended 31 Aug 2010 £'000	Year ended 28 Feb 2011 £'000
Net cash (outflow)/inflow from operating activities	A	(302)	(140)	827
Capital expenditure				
Purchase of investments		(663)	(993)	(3,061)
Disposal of investments		976	729	4,429
Net cash inflow/(outflow) from capital expenditure		313	(264)	1,368
Equity distributions paid		(1,547)	-	-
Management of liquid resources				
Purchase of current investments held as liquidity funds		-	-	-
Withdrawal from liquidity funds		-	-	-
Net cash inflow from liquid resources		-	-	-
Net cash (outflow)/inflow before financing		(1,536)	(404)	2,195
Financing				
Proceeds from share issue		8,373	3,486	3,537
Share issue costs		(528)	(192)	(195)
Purchase of own shares		(286)	(202)	(411)
Net cash inflow from financing		7,559	3,092	2,931
Increase in cash	B	6,023	2,688	5,126
Notes to the cash flow statement:				
A Net cash flow from operating activities				
(Loss)/return on ordinary activities before taxation		(732)	(803)	2,650
Losses/(gains) on investments		490	606	(2,919)
(Increase)/decrease in debtors		(51)	877	608
(Decrease)/increase in creditors		(9)	(820)	488
Net cash (outflow)/inflow from operating activities		(302)	(140)	827
B Analysis of net funds				
Beginning of period		10,133	5,007	5,007
Net cash inflow		6,023	2,688	5,126
End of period		16,156	7,695	10,133

Summary of Investment Portfolio

as at 31 August 2011

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	1,582	2,407	61	8.8%
Fjordnet Limited	1,400	1,949	(474)	7.2%
Donatantonio Limited	1,366	1,689	(21)	6.2%
Charterhouse Leisure Limited	1,000	931	(39)	3.4%
Lazurite Limited	1,000	919	(11)	3.4%
Prelude Media Limited	1,000	910	(16)	3.3%
Chess Technologies Limited	900	842	160	3.1%
SPC International Limited	625	827	6	3.0%
Eagle Rock Entertainment Group Limited	680	818	(90)	3.0%
Campden Media Limited	757	698	-	2.6%
	<u>10,310</u>	<u>11,990</u>	<u>(424)</u>	<u>44.0%</u>
Other venture capital investments	3,919	1,719	(340)	6.3%
	<u>14,229</u>	<u>13,709</u>	<u>(764)</u>	<u>50.3%</u>
Liquidity fund investments		1,250		4.6%
Cash at bank and in hand		12,313		45.1%
Ordinary Share pool total		<u>27,272</u>		<u>100.0%</u>

'D' Share pool

	£'000	£'000	£'000	
Venture capital investments (by value)				
Tossed Limited	624	751	127	10.1%
MatsSoft Limited	650	650	-	8.7%
Celebrus Technologies Limited	295	295	-	4.0%
APM Healthcare Limited	187	187	-	2.5%
Monica Vinader Limited	138	138	-	1.9%
Fjordnet Limited	276	135	(51)	1.8%
SenseLogix Limited	92	92	-	1.2%
Cinergy International Limited	115	104	(11)	1.4%
	<u>2,377</u>	<u>2,352</u>	<u>65</u>	<u>31.6%</u>
Liquidity fund investments		1,250		16.8%
Cash at bank and in hand		3,843		51.6%
'D' Share pool total		<u>7,445</u>		<u>100.0%</u>

Other venture capital investments in the Ordinary Share pool at 31 August 2011 comprise: Ashford Colour Press Limited, BreezeTech Ltd, Coolabi plc, Dianomi Ltd, Immedia, Isango! Limited, MatsSoft Ltd, Overtis Group Ltd, Pilat Media Global plc, Sports Holdings Limited, Steak Media Ltd, Baby Innovations t/a Steribottle and UBC Media plc.

With the exclusion of Pilat Media Global plc, UBC Media Group plc and Coolabi plc which are quoted on AIM, all venture capital investments are unquoted.

Summary of Investment Movements

for the six months ended 31 August 2011

Additions	Cost £'000			
Ordinary Share pool				
Overtis Group Limited	220			
Campden Media Limited	113			
	333			
'D' Share pool				
APM Healthcare Limited	187			
Tossed Limited	120			
SenseLogix Limited	23			
	330			
Disposals				
	Market value at 1 March 2011*	Disposal Proceeds	Gain against cost	Realised gain in period
	Cost £'000	£'000	£'000	£'000
Ordinary Share pool				
Steak Media Limited	621	725	934	313
				209

No disposals were made by the 'D' Share pool in the period.

* Adjusted for investments made since 1 March 2011

Notes to the Unaudited Financial Statements

1. The unaudited half-yearly results cover the six months to 31 August 2011 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.
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 2010 and the year ended 28 February 2011.
6. 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)	50	(22)
Weighted average number of shares in issue	32,471,861	8,252,394
Capital return per share based on:		
Net capital (loss)/gain after taxation (£'000)	(770)	10
Weighted average number of shares in issue	32,471,861	8,252,394

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

	Ordinary Shares	'D' Shares
Net assets (£'000)	27,263	7,408
Number of shares in issue at period end	34,205,940	8,244,314

Notes to the Unaudited Financial Statements (continued)

8. Dividends

Pence	Six months to 31 Aug 2011			Six months to 31 Aug 2010			Year ended 28 Feb 2011
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Ordinary Share dividends paid in period							
2011 Interim	172	1,375	1,547	-	-	-	-

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	Revaluation reserve £'000	Revenue reserve £'000
At 1 March 2011	953	8,466	15,940	2,679	257	(526)
Purchase of own shares	8	-	(393)	-	-	(22)
Issue of new shares	-	8,952	-	-	-	-
Expenses capitalised	-	-	-	(270)	-	-
Tax relief on capital expenses	-	-	-	-	-	-
Gains/(losses) on investments	-	-	-	209	(699)	-
Retained revenue	-	-	-	-	-	28
Transfer between reserves	-	-	(43)	146	(103)	-
Distributions paid	-	-	-	(1,375)	-	(172)
At 31 August 2011	961	17,418	15,504	1,389	(545)	(692)

The Special reserve, Capital reserve-realised and Revenue reserve are all distributable reserves. The Revaluation reserve includes losses of £2,841,000 which are included in the calculation of distributable reserves. Total distributable reserves are £13,360,000.

10. Contingent liabilities, guarantees and financial commitments

The Company has guaranteed bank borrowings on 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 434 of the Companies Act 2006 and have not been delivered to the Registrar of Companies. The figures for the year ended 28 February 2011 have been extracted from the financial statements for that year, which have been delivered to the Registrar of Companies; the Auditor’s 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 Registrars' 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 prices

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

	Ordinary Shares	'D' Shares
TIDM/EPIC code	"PGOO"	"PGOD"
Latest share price (26 October 2011):	70.5p per share	83.0p 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 LLP 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 number of shareholders of VCTs managed by both Beringea and other VCT houses have recently received unsolicited telephone calls from companies purporting to be acting on behalf of clients who are 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

Marc Vlessing (Chairman)
Natasha Christie-Miller
Malcolm Moss
James Stewart

Investment Manager

Beringea LLP
39 Earlham Street
London WC2H 9LT
www.provenvcts.com
Tel: 020 7845 7820

Company Secretary and Administration Manager

Grant Whitehouse
Downing LLP
10 Lower Grosvenor Place
London SW1W 0EN
www.downing.co.uk
Tel: 020 7416 7780

Registered Office

39 Earlham Street
London WC2H 9LT
Registered No. 4125326

Registrar

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
www.capitaregistrars.com
Tel: 0871 664 0324

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