

ProVen 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

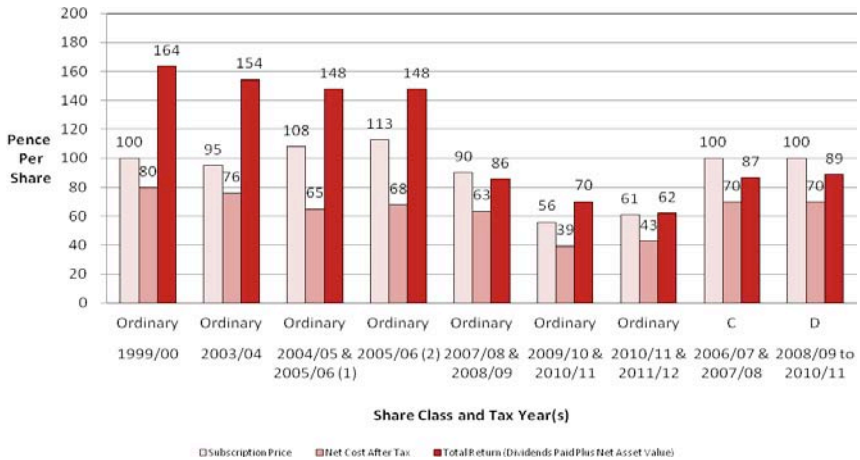
	31 Aug 2011 Pence	28 Feb 2011 Pence	31 Aug 2010 Pence
Ordinary Shares			
Net asset value per share ("NAV")	55.9	61.0	47.8
Dividends paid per share since launch	107.7	101.5	101.5
Total return (NAV plus dividends paid since launch)	163.6	162.5	149.3
'C' Shares			
Net asset value per share ("NAV")	82.0	76.8	71.4
Dividends paid per share since issue	4.8	4.8	4.8
Total return (NAV plus dividends paid since issue)	86.8	81.6	76.2
'D' Shares			
Net asset value per share ("NAV")	88.8	90.0	92.3
Dividends paid per share since issue	-	-	-
Total return (NAV plus dividends paid since issue)	88.8	90.0	92.3

Financial Highlights

163.6p	Ordinary Share net asset value total return per share since launch (net asset value at 31 August 2011 plus cumulative dividends paid)
86.8p	'C' Share net asset value total return per share since launch (net asset value at 31 August 2011 plus cumulative dividends paid)
88.8p	'D' Share net asset value total return per share since launch (net asset value at 31 August 2011 plus cumulative dividends paid)

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 2005/2006 were issued at either 108.15p per share prior to 13 May 2005, or 112.91p per share after 13 May 2005. 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, where small gains have been experienced by two of the share pools.

Net asset values

Ordinary Shares

As at 31 August 2011, the net asset value ("NAV") per Ordinary Share stood at 55.9p, an increase of 1.1p per share or 1.8% since the year end (after adjusting for the dividend of 6.25p paid in the period).

'C' Shares

As at 31 August 2011, the NAV per 'C' Share stood at 82.0p, an increase of 5.2p per share or 6.8% since the year end.

'D' Shares

As at 31 August 2011, the NAV per 'D' Share stood at 88.8p, a decrease of 1.2p per share or 1.3% since the year end.

Fundraising

During the period, the Company continued to raise funds under its Ordinary Share offer for subscription which opened on 11 January 2011. The offer closed on 6 May 2011 when it was fully subscribed, having raised gross funds of £1.5 million.

Venture capital investments

Ordinary Share portfolio

During the period, the Ordinary Share pool made two follow-on investments at a total cost of £150,000. No realisations were made.

The net effect of investment valuation movements over the period was an unrealised gain of £640,000.

'C' Share portfolio

The 'C' Share pool made one new investment and three follow-on investments, totalling £535,000. One realisation was achieved in the form of Steak Media Limited which resulted in a gain of £154,000 in the period.

The net effect of investment valuation movements over the period was an unrealised gain of £545,000.

'D' Share portfolio

The 'D' Share pool made one new and two follow-on investments during the period, totalling £250,000.

The net effect of investment valuation movements over the period was an unrealised loss of £18,000.

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 profit on ordinary activities after taxation for the Company during the period of £1,021,000 (£252,000 revenue profit and £769,000 capital gain). Details of how this is analysed between the various share pools is shown in the detailed Income Statement on pages 14 and 15.

The Board has decided that the Company will pay a dividend of 6.25p per Ordinary Share on 2 February 2012 to Shareholders on the register at 6 January 2012. This will be an interim dividend in respect of the Company's financial year ending 29 February 2012 and represents the distribution of the balance of the profits made on the disposal of Saffron Digital earlier this year, together with profits realised on previous investment disposals. No interim dividend will be paid in respect of the 'C' Shares or 'D' 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 and 'C' Shares at a price equivalent to a 10% discount to the latest published NAV and at a 5% discount to the latest published NAV in respect of 'D' Shares.

During the period, the Company purchased 278,612 Ordinary Shares at an average price of 49.7p per share; 67,152 'C' Shares at an average price of 68.7p per share; and 13,010 'D' Shares at an average price of 85.5p 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 relatively consistent views in this matter, both by number and by volume of shares held. A clear majority of all classes of shares favoured the payment of large dividends as soon as possible whether the NAV was reduced or not. The majority was largest amongst those Shareholders that had held their shares since the Company's initial fundraising, while a small minority energetically expressed their preference that dividends should not reduce NAV. The Board has therefore given consideration to what approach might satisfy most Shareholders.

The Board's conclusion has therefore been that the Company should seek to maximise dividends paid to Shareholders, while maintaining NAV at an appropriate level.

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 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.

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.

Going concern

The Company has sufficient financial resources at the period end, 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 are generally not supportive to profitable realisations, there remains a market for quality businesses as the recent disposals of Saffron Media Group and Steak Media demonstrate. The Board is satisfied that the portfolios comprise a number of good quality businesses across a range of sectors which have the potential to thrive even in the current environment. Espresso now represents approximately 23% of the Ordinary Share pool and as such the Board has taken care to arrive at a fair value. Clearly the future performance of the Ordinary Share pool will be significantly influenced by this investment.

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.

Andrew Davison

Chairman

27 October 2011

Investment Manager's Report

Introduction

We have pleasure in presenting our half-yearly report to 31 August 2011 for ProVen 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 16 companies, of which 13 were unquoted and 3 were quoted, at a valuation of £11.8 million and original acquisition cost of £10.5 million. In addition, the Ordinary Share pool held £3.5 million in cash and liquidity funds.

Further funding was provided to Tossed (£110,000) and Overtis Group (£40,000) during the period. Within the existing portfolio, Espresso continues to dominate in value terms, accounting for approximately 23% of the pool. The company continued to perform strongly over the period. During the period, Think, the digital media agency, announced that it had been selected as the lead digital agency for "Pottermore", the online reading experience created by J.K. Rowling and built around the Harry Potter books. This, together with new client wins such as Formica and Warner Brothers, has contributed to the uplift in valuation.

'C' Share pool

At 31 August 2011, the Company's 'C' Share portfolio comprised 19 unquoted holdings with a cost of £7.9 million and a valuation of £9.4 million. In addition, the 'C' Share pool held £2.5 million in cash and liquidity funds.

Further funding totalling £535,000 was provided to Campden Media, Tossed, Overtis and Senselogix. 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. There was a strong performance from Think, as described above, and it is now the largest holding in the 'C' Share venture capital portfolio accounting for 13% by value of the pool. Fjordnet and Donatantonio together account for a further 19% by value of the pool.

'D' Share pool

At 31 August 2011, the Company's 'D' Share portfolio comprised 8 unquoted holdings with a cost of £2.0 million and a valuation of £1.9 million. In addition, the 'D' Share pool held £5.5 million in cash and liquidity funds.

The 'D' Share pool made a further new investment of £187,500, alongside ProVen Growth and Income 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 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 do this and therefore for the overall prospects for all the 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	23,062	17,441	21,490
Current assets			
Debtors	193	146	288
Current investments	9,200	10,200	9,200
Cash at bank and in hand	2,310	2,486	3,814
Creditors: amounts falling due within one year	(251)	(182)	(826)
Net current assets	11,452	12,650	12,476
Net assets	34,514	30,091	33,966
Capital and reserves			
Called up share capital	5,066	4,984	4,972
Capital redemption reserve	269	225	238
Share premium account	10,139	8,763	8,811
Special reserve	13,801	16,953	14,913
Capital reserve - realised	2,890	1,633	3,518
Revaluation reserve	2,640	(2,048)	1,548
Revenue reserve	(291)	(419)	(34)
Equity shareholders' funds	34,514	30,091	33,966
Net asset value per Ordinary Share:	55.9p	47.8p	61.0p
Net asset value per 'C' Share:	82.0p	71.4p	76.8p
Net asset value per 'D' Share:	88.8p	92.3p	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	11,806	10,387	11,016
Current assets			
Debtors	128	122	160
Current investments	3,400	890	3,400
Cash at bank and in hand	124	823	1,464
Creditors: amounts falling due within one year	(117)	(86)	(662)
Net current assets	3,535	1,749	4,362
Net assets	15,341	12,136	15,378
Capital and reserves			
Called up share capital	1,371	1,269	1,260
Capital redemption reserve	225	202	211
Share premium account	2,354	1,026	1,026
Special reserve	7,238	7,356	8,247
Capital reserve - realised	2,926	1,738	3,700
Revaluation reserve	1,262	632	622
Revenue reserve	(35)	(87)	312
Equity shareholders' funds	15,341	12,136	15,378
Net asset value per Ordinary Share	55.9p	47.8p	61.0p

Unaudited Balance Sheet

as at 31 August 2011

'C' Shares

	31 Aug 2011 £'000	31 Aug 2010 £'000	28 Feb 2011 £'000
Fixed assets			
Investments	9,382	6,871	8,833
Current assets			
Debtors	45	20	109
Current investments	1,350	2,810	1,350
Cash at bank and in hand	1,144	728	950
Creditors: amounts falling due within one year	(81)	(59)	(100)
Net current assets	2,458	3,499	2,309
Net assets	11,840	10,370	11,142
Capital and reserves			
Called up share capital	3,612	3,633	3,629
Capital redemption reserve	43	22	26
Share premium account	-	-	-
Special reserve	6,563	9,597	6,666
Capital reserve - realised	201	-	-
Revaluation reserve	1,485	(2,680)	1,016
Revenue reserve	(64)	(202)	(195)
Equity shareholders' funds	11,840	10,370	11,142
Net asset value per 'C' Share	82.0p	71.4p	76.8p

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	1,874	183	1,641
Current assets			
Debtors	20	4	19
Current investments	4,450	6,500	4,450
Cash at bank and in hand	1,042	935	1,400
Creditors: amounts falling due within one year	(53)	(37)	(64)
Net current assets	5,459	7,402	5,805
Net assets	7,333	7,585	7,446
Capital and reserves			
Called up share capital	83	82	83
Capital redemption reserve	1	1	1
Share premium account	7,785	7,737	7,785
Special reserve	-	-	-
Capital reserve - realised	(237)	(105)	(182)
Revaluation reserve	(107)	-	(90)
Revenue reserve	(192)	(130)	(151)
Equity shareholders' funds	7,333	7,585	7,446
Net asset value per 'D' Share	88.8p	92.3p	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	488	-	488	261	-	261	831
Gains on investments	-	1,321	1,321	-	121	121	3,961
	488	1,321	1,809	261	121	382	4,792
Investment management fee	(86)	(259)	(345)	(53)	(157)	(210)	(640)
Performance incentive fees	-	(293)	(293)	-	(360)	(360)	(360)
Other expenses	(150)	-	(150)	(175)	-	(175)	(253)
Return/(loss) on ordinary activities before taxation	252	769	1,021	33	(396)	(363)	3,539
Tax on ordinary activities	-	-	-	-	-	-	-
Return/(loss) attributable to equity shareholders	252	769	1,021	33	(396)	(363)	3,539
Basic and diluted return per Ordinary Share	0.6p	0.8p	1.4p	0.2p	0.9p	1.1p	14.2p
Basic and diluted return/(loss) per 'C' Share	0.9p	4.2p	5.1p	-	(2.9p)	(2.9p)	1.3p
Basic and diluted loss per 'D' Share	(0.4p)	(0.9p)	(1.3p)	(0.3p)	(0.5p)	(0.8p)	(3.1p)

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	254	-	254	170	-	170	626
Gains on investments	-	640	640	-	662	662	3,709
	254	640	894	170	662	832	4,335
Investment management fee	(40)	(120)	(160)	(23)	(69)	(92)	(278)
Performance incentive fees	-	(293)	(293)	-	(360)	(360)	(360)
Other expenses	(62)	-	(62)	(85)	-	(85)	(96)
Return on ordinary activities before taxation	152	227	379	62	233	295	3,601
Tax on ordinary activities	-	-	-	-	-	-	-
Return attributable to equity shareholders	152	227	379	62	233	295	3,601

'C' 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	210	-	210	71	-	71	153
Gains/(losses) on investments	-	698	698	-	(541)	(541)	342
	210	698	908	71	(541)	(470)	495
Investment management fee	(28)	(84)	(112)	(18)	(52)	(70)	(212)
Performance incentive fees	-	-	-	-	-	-	-
Other expenses	(52)	-	(52)	(59)	-	(59)	(99)
Return/(loss) on ordinary activities before taxation	130	614	744	(6)	(593)	(599)	184
Tax on ordinary activities	-	-	-	-	-	-	-
Return/(loss) attributable to equity shareholders	130	614	744	(6)	(593)	(599)	184

Unaudited Income Statement (continued)

for the six months ended 31 August 2011

Analysed by share class:
'D' Share pool

	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	24	-	24	20	-	20	52
Loss on investments	-	(17)	(17)	-	-	-	(90)
	24	(17)	7	20	-	20	(38)
Investment management fee	(18)	(55)	(73)	(12)	(36)	(48)	(150)
Performance incentive fees	-	-	-	-	-	-	-
Other expenses	(36)	-	(36)	(31)	-	(31)	(58)
Loss on ordinary activities							
before taxation	(30)	(72)	(102)	(23)	(36)	(59)	(246)
Tax on ordinary activities	-	-	-	-	-	-	-
Loss attributable to equity							
shareholders	(30)	(72)	(102)	(23)	(36)	(59)	(246)

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 August 2011

	31 Aug 2011				31 Aug 2010	28 Feb 2011
	Ordinary	'C'	'D'	Total	Total	Total
	Shares £'000	Shares £'000	Shares £'000	£'000	£'000	£'000
Opening shareholders' funds	15,378	11,142	7,446	33,966	29,022	29,022
Proceeds from share issues	1,537	-	-	1,537	3,947	3,999
Share issue costs	(84)	-	-	(84)	(217)	(220)
Purchase of own shares	(139)	(46)	(11)	(196)	(243)	(338)
Total recognised gain/(loss) for the year	379	744	(102)	1,021	(363)	3,539
Dividends	(1,730)	-	-	(1,730)	(2,055)	(2,036)
Closing shareholders' funds	15,341	11,840	7,333	34,514	30,091	33,966

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 from operating activities	A	(781)	(623)	(2,043)
Capital expenditure				
Purchase of investments		(935)	(1,434)	(4,600)
Disposal of investments		685	771	3,728
Net cash outflow from capital expenditure		(250)	(663)	(872)
Equity distributions paid		(1,730)	(2,055)	(2,036)
Management of liquid resources				
Purchase of current investments held as liquidity funds		-	-	(1,110)
Withdrawal from liquidity funds		-	-	2,110
Net cash inflow from liquid resources		-	-	1,000
Net cash outflow before financing		(2,761)	(3,341)	(3,951)
Financing				
Proceeds from share issue		1,537	1,963	3,999
Share issue costs		(84)	(217)	(220)
Purchase of own shares		(196)	(243)	(338)
Net cash inflow from financing		1,257	1,503	3,441
Decrease in cash	B	(1,504)	(1,838)	(510)

Notes to the cash flow statement:

A Net cash flow from operating activities

Return/(loss) on ordinary activities before taxation		1,021	(363)	3,539
Gains on investments		(1,321)	(121)	(3,961)
Decrease/(increase) in debtors		94	(105)	(247)
Decrease in creditors		(575)	(34)	(1,374)
Net cash outflow from operating activities		(781)	(623)	(2,043)

B Analysis of net funds

Beginning of period		3,814	4,324	4,324
Net cash outflow		(1,504)	(1,838)	(510)
End of period		2,310	2,486	3,814

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	1,317	3,492	161	22.8%
SPC International Limited	1,618	1,673	13	10.9%
Think Limited	403	1,591	850	10.4%
Eagle Rock Entertainment Group Limited	1,010	1,176	(133)	7.7%
Campden Media Limited	1,289	1,170	-	7.6%
Donatantonio Limited	582	719	(9)	4.7%
Tossed Limited	578	697	118	4.5%
Ashford Colour Press Limited	500	430	(3)	2.8%
Fjordnet Limited	200	278	(67)	1.8%
Pilat Media Global plc	172	276	(160)	1.8%
	<u>7,669</u>	<u>11,502</u>	<u>770</u>	<u>75.0%</u>
Other venture capital investments	2,875	304	(130)	2.0%
	<u>10,544</u>	<u>11,806</u>	<u>640</u>	<u>77.0%</u>
Liquidity fund investments		3,400		22.2%
Cash at bank and in hand		124		0.8%
Ordinary Share pool total		<u>15,330</u>		<u>100.0%</u>

Other venture capital investments at 31 August 2011 comprise: UBC Media Group plc, Coolabi plc, Overtis Group Limited, Isango! Limited, Baby Innovations t/a Steribottle and Sports Holdings Limited.

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 Portfolio (continued)

as at 31 August 2011

‘C’ Share pool	Cost £’000	Valuation £’000	Valuation movement in the period £’000	% of portfolio by value
Top ten venture capital investments (by value)				
Think Limited	403	1,591	850	13.4%
Fjordnet Limited	800	1,114	(271)	9.4%
Donatantonio Limited	885	1,095	(13)	9.2%
Lazurite Limited	1,000	957	(11)	8.1%
Charterhouse Leisure Limited	700	652	(27)	5.5%
SPC International Limited	403	610	5	5.1%
Chess Technologies Limited	600	561	107	4.7%
Tossed Limited	425	511	86	4.3%
Celebrus Technologies Limited	470	470	-	4.0%
Overtis Group Limited	605	324	(103)	2.7%
	<u>6,291</u>	<u>7,885</u>	<u>623</u>	<u>66.4%</u>
Other venture capital investments	<u>1,605</u>	<u>1,497</u>	<u>(79)</u>	<u>12.6%</u>
	<u>7,896</u>	<u>9,382</u>	<u>544</u>	<u>79.0%</u>
Liquidity fund investments		1,350		11.4%
Cash at bank and in hand		<u>1,144</u>		<u>9.6%</u>
‘C’ Share pool total		<u>11,876</u>		<u>100.0%</u>

Other venture capital investments at 31 August 2011 comprise: Dianomi Limited, Blismobile Limited, Isango! Limited, Monica Vinader Limited, Senselogix Limited, MatsSoft Limited, Cinergy International Limited, Campden Media Limited and Eagle Rock Entertainment Group Limited.

All venture capital investments are unquoted.

Summary of Investment Portfolio (continued)

as at 31 August 2011

'D' Share pool	Cost £'000	Valuation £'000	Valuation movement in the period £'000	% of portfolio by value
Venture capital investments				
MatsSoft Limited	650	650	-	8.8%
Celebrus Technologies Limited	300	300	-	4.1%
Tossed Limited	223	268	45	3.6%
APM Healthcare Limited	188	188	-	2.6%
Monica Vinader Limited	138	138	-	1.9%
Fjordnet Limited	276	134	(51)	1.8%
Cinergy International Limited	115	104	(11)	1.4%
Senselogix Limited	92	92	-	1.2%
	<u>1,982</u>	<u>1,874</u>	<u>(17)</u>	<u>25.4%</u>
Liquidity fund investments		4,450		60.4%
Cash at bank and in hand		<u>1,042</u>		<u>14.2%</u>
'D' Share pool total		<u>7,366</u>		<u>100.0%</u>

All venture capital investments are unquoted.

Summary of Investment Movements

for the six months ended 31 August 2011

Additions	Cost £'000			
Ordinary Share pool				
Tossed Limited	110			
Overtis Group Limited	40			
	<u>150</u>			
'C' Share pool				
Campden Media Limited	227			
Overtis Group Limited	191			
Tossed Limited	80			
Senselogix Limited	37			
	<u>535</u>			
'D' Share pool				
APM Healthcare Limited	187			
Tossed Limited	40			
Senselogix Limited	23			
	<u>250</u>			
Disposals				
	Market value at 1 March 2011	Disposal Proceeds	Gain against cost	Realised gain in period
	Cost £'000	£'000	£'000	£'000
'C' Share pool				
Steak Media Limited	456	531	685	229
				<u>154</u>

No disposals were made by the Ordinary Share 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 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	'C' Shares	'D' Shares
Revenue return per share based on:			
Net revenue profit/(loss) after taxation (£'000)	152	130	(30)
Weighted average number of shares in issue	27,079,420	14,486,672	8,266,517
Capital return per share based on:			
Net revenue profit after taxation (£'000)	227	614	(72)
Weighted average number of shares in issue	27,079,420	14,486,672	8,266,517

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

	Ordinary Shares	'C' Shares	'D' Shares
Net assets (£'000)	15,341	11,840	7,333
Number of shares in issue at period end	27,431,590	14,447,790	8,256,901

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	Capital	Total	Revenue	Capital	Total	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ordinary Share dividends paid in period								
2011 Interim	6.25	498	1,232	1,730	-	-	-	-
2010 Final	8.00	-	-	-	-	2,055	2,055	2,036
		498	1,232	1,730	-	2,055	2,055	2,036

No dividends were paid on the 'C' Share pool or 'D' Share pool during the period.

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	238	8,811	14,913	3,518	1,548	(34)
Expenses capitalised	-	-	-	(552)	-	-
Tax relief on expenses capitalised	-	-	-	-	-	-
Share issue	-	1,328	-	-	-	-
Purchase of own shares	31	-	(186)	-	-	(11)
Gains on investments	-	-	-	154	1,168	-
Retained revenue	-	-	-	-	-	252
Dividends paid	-	-	-	(1,232)	-	(498)
Transfer between reserves	-	-	(926)	1,002	(76)	-
At 31 August 2011	269	10,139	13,801	2,890	2,640	(291)

The Special reserve, Capital reserve-realised and Revenue reserve are all distributable reserves. The Revaluation reserve includes losses of £3,433,000 which are included in the calculation of distributable reserves. Total distributable reserves are £12,967,000.

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:

TIDM/EPIC code	Ordinary Shares "PVN"	'C' Shares "PVNC"	'D' Shares "PVND"
Latest share price (26 October 2011):	45.0p per share	62.0p per share	82.0p 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

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Barry Dean
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Registered No. 3911323

Registrar

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