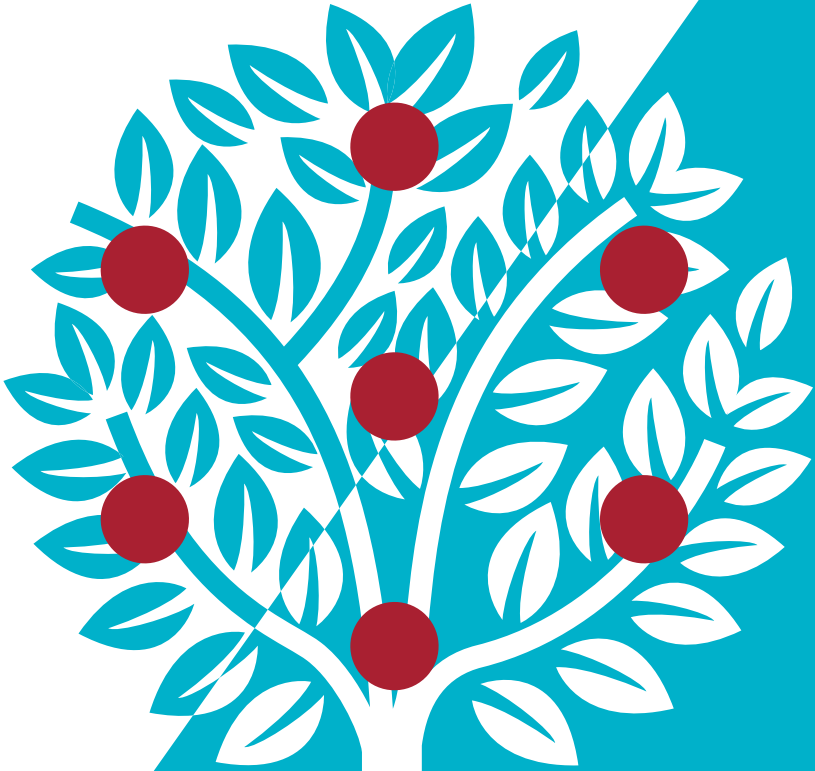




PROVEN GROWTH & INCOME VCT PLC

HALF-YEARLY REPORT

For the Six Months Ended 31 August 2015



PROVEN GROWTH & INCOME VCT PLC

PRINCIPAL INVESTMENT OBJECTIVE

The Company's principal objective is to achieve long-term returns greater than those available from investing in a portfolio of quoted companies, by investing in:

- a portfolio of carefully selected qualifying investments in small and medium sized unquoted companies with excellent growth prospects; and
- a portfolio of non-qualifying investments including cash, liquidity funds, fixed interest securities, debt and debt-related securities in growth companies and non-qualifying venture capital investments,

within the conditions imposed on all VCTs and to minimise the risk of each investment and the portfolio as a whole.



FINANCIAL SUMMARY

	31 August 2015	31 August 2014	28 February 2015
Net asset value per share ("NAV")	81.8p	84.2p	85.7p
Dividends paid since class launch (originally as 'C' Shares)	33.6p	29.1p	31.1p
Total return (NAV plus dividends paid since 'C' Share class launch)	115.4p	113.3p	116.8p



CHAIRMAN'S STATEMENT

INTRODUCTION

I have pleasure in presenting the half year report for ProVen Growth and Income VCT plc (the "Company") for the six months ended 31 August 2015.

NET ASSET VALUE

At 31 August 2015, the net asset value ("NAV") per share was 81.8p, a decrease of 1.4p per share since the year end (after adjusting for the total dividends of 2.5p per share paid during the period). This compares favourably to the broader quoted UK stock markets over the same period.

PORTFOLIO ACTIVITY AND VALUATION

During the six months to 31 August 2015, a total of £9.4 million was invested. This included £5.3 million into three new investments, D30 Holdings, Sealskinz and Network Locum, and £4.1 million into existing portfolio companies to support their continued growth and development.

Realisations, primarily loan note repayments, generated proceeds of £1.4 million. These realisations included all scheduled debt finance repayments and some of the Company's loan notes in Maplin as a result of a capital restructuring.

The venture capital investment portfolio showed a net loss of £474,000 over the six month period. While this reflects a combination of both positive and negative movements, the portfolio was particularly impacted by the fall in value of one investment, Utility Exchange Online.

Further detail on investment activity is provided in the Investment Manager's Report on pages 7 and 8.

RESULTS AND DIVIDENDS

The total loss on ordinary activities after taxation for the six month period to 31 August 2015 was £827,000, comprising a revenue profit of £250,000 and a capital loss of £1,077,000.

During the six month period, a final dividend of 2.5p per share in respect of the year ended 28 February 2015 was paid on 31 July 2015 following shareholder approval at the Company's AGM.

The Board has today declared an interim dividend of 2.0p per share which will be paid on 20 November 2015 to Shareholders on the register at 23 October 2015.

Shareholders are reminded that the Company operates a Dividend Reinvestment Scheme ("DRIS") for Shareholders that wish to have their dividends reinvested in new shares and obtain further income tax relief on those shares. If you are not currently registered for the DRIS and wish to have your dividends paid

in the form of new shares, DRIS forms are available from the www.provenvcts.co.uk website or by contacting Beringea on 020 7845 7820. Shareholders will need to be registered for the DRIS prior to 23 October 2015 to be eligible to receive the forthcoming dividend as new shares.

FUND RAISING AND SHARE ISSUES

The Company's offer for subscription which launched on 24 October 2014 was fully subscribed and raised gross proceeds £24.8 million of which £15.4 million was allotted during the half year.

In addition, the Company allotted 284,545 shares at 83.3p per share under the Company's DRIS in respect of the dividend paid on 31 July 2015.

SHARE BUYBACKS

The Company continues to operate a policy of purchasing its own shares as they become available in the market and at a discount of approximately 5% to the latest published NAV.

During the period, the Company completed purchases of 590,860 shares, through its buyback facility, at an average price of 80.6p per share and for aggregate consideration (net of costs) of £476,000. This represents 0.8% of the shares in issue at the start of the period. The shares were subsequently cancelled.

VCT LEGISLATION

The Finance Bill published on 15 July 2015, following the second 2015 UK Budget, includes a number of proposed changes to the VCT rules. These are mainly designed to bring the legislation in line with the EU State Aid Risk Finance Guidelines which were revised last year and are expected to come into effect from Royal Assent of the Finance Bill which is anticipated to be later this year.

The main aspects of the new rules include:

- Prohibiting VCT funds being used for the purpose of acquiring businesses or shares, as a consequence management buy-outs will no longer be possible;
- Introducing a limit on when a company may receive VCT money in relation to its first commercial sale, subject to certain exemptions; and
- Introducing a lifetime limit on the total State Aid funding received by companies of £12 million (£20 million for 'knowledge intensive' companies), in addition to the current limit of £5 million which a company may receive in any 12 month period.

CHAIRMAN'S STATEMENT

CONTINUED

Whilst these changes will place additional restrictions on the Company's investment activity, given the profile of the companies generally pursued by the Company, we do not anticipate a material impact on the ability of your Investment Manager to execute the Company's investment strategy successfully.

OUTLOOK

The Company's portfolio has performed well against the wider market despite recent uncertainty in global stock markets. Whilst the Company's cash reserves and venture capital debt instruments have provided, and continue to provide, some inherent protection against stock market falls, it is the overall performance of the portfolio which has been particularly encouraging with a number of companies delivering strong growth. The legislative changes that are being finalised will focus the broader VCT market on the same target market in which the Company specialises. Legislative changes have been a common feature of the VCT landscape since the Company's inception. Each change provides its own new challenges and new opportunities which both the Board and the Investment Manager, with many years of experience, are well placed to successfully manage.

Marc Vlessing

Chairman

12 October 2015

INVESTMENT MANAGER'S REPORT

INTRODUCTION

We have pleasure in presenting our half year report for ProVen Growth and Income VCT plc (the "Company") for the six month period to 31 August 2015.

INVESTMENT ACTIVITY AND PORTFOLIO VALUATION

At 31 August 2015, the Company's investment portfolio comprised 43 investments, of which 40 were unquoted, at a cost of £45.8 million and a valuation of £51.1 million. This represents an overall unrealised uplift on cost of £5.3 million or 11.6%.

During the period, the Company invested a further £9.4 million, comprising £5.3 million into three new companies and £4.1 million into seven existing portfolio companies. The new investments in D30 Holdings, an impact protection solutions company (£2,960,000), and Sealskinz, a provider of waterproof and breathable outdoor accessories (£2,130,000), were completed shortly after the year end and discussed in the previous full year report. In August, the Company completed an investment of £160,000 into Network Locum, an online platform used by GPs to manage bookings and invoices for locums.

The follow-on investments included MyOptique (£1,230,000), Chess Technologies (£926,000) and InContext Solutions (£675,000). The investment in MyOptique in August represented an opportunity to invest alongside other institutional investors to support MyOptique's acquisition of 4Care. MyOptique, through its range of brands including "Glasses Direct" and "Sunglasses Shop" is at the forefront of the online disruption of the eyewear market.

There were further tranches of investment in Big Data Partnership ("BDP") in April and June, followed by a further £634,000 after the period end in September. Since the Company's initial investment in BDP in April 2014, BDP has more than doubled its revenue and headcount and moved to new premises. The funding provides working capital to enable the firm to continue its growth trajectory.

The Company generated realisation proceeds of £1.4 million, mostly in respect of loan note repayments including all scheduled loan repayments from the Company's three debt finance investments, Speciality European Pharma, Peerius and Celoxica. Following a capital restructuring, Maplin repaid loan notes generating proceeds of £318,000 (inclusive of outstanding interest). There were also disposals of the Company's small holdings in Long Eaton Healthcare and Eagle-i Music.

Overall, the venture capital investment portfolio showed a slight decline of £474,000, equivalent to 0.5p per share. There were uplifts in value for, amongst others, Abzena, Disposable Cubicle Curtains and Monica Vinader. Conversely, Utility Exchange Online decreased in value, reflecting increased pressure on margins

INVESTMENT MANAGER'S REPORT

CONTINUED

as new, well-funded entrants look to secure market share. A summary of the top 20 venture capital investments, by value, is provided in the Summary of Investment Portfolio on page 9.

POST PERIOD END PORTFOLIO ACTIVITY

In addition to the follow-on investment in BDP discussed above, the Company also made follow-on investments in Cogora (£833,000) and Disposable Cubicle Curtains (£58,000) after the period end.

OUTLOOK

We continue to see a number of exciting investment opportunities and are currently at an advanced stage with a number of these. Additionally, a number of companies in the existing portfolio are developing well and have the potential to deliver strong returns in the future.

Recently the VCT industry's attention has been focussed on the proposed changes to the VCT rules. The new legislation is expected to come into effect in November and while these rules place further restrictions on what can be invested in, we are confident that we will continue to identify new companies that provide an attractive investment opportunity for the Company.

Overall, we are pleased with the performance in the six months to 31 August 2015 and will look to maintain this positive momentum during the second half of the year.

Beringea LLP

12 October 2015

SUMMARY OF INVESTMENT PORTFOLIO

AS AT 31 AUGUST 2015

	Cost £'000	Valuation £'000	Valuation movement in period £'000	% of portfolio by value
Top twenty venture capital investments (by value)				
Cognolink Limited	2,051	4,186	6	5.7%
MyOptique Limited	3,630	3,630	–	4.9%
D30 Holdings Limited	2,960	2,960	–	4.0%
Abzena plc (formerly Polytherics Limited)	1,278	2,733	395	3.7%
Pulpitum Limited	2,900	2,668	(70)	3.6%
Disposable Cubicle Curtains Limited	2,191	2,556	365	3.4%
APM Healthcare Limited	1,731	2,385	37	3.2%
Speciality European Pharma Limited	2,223	2,223	–	3.0%
MEL Topco Limited (t/a Maplin)	2,218	2,218	–	3.0%
Sealskinz Holdings Limited	2,130	2,216	86	3.0%
Monica Vinader Limited	583	2,194	96	3.0%
Inskin Media Limited	1,435	2,061	(120)	2.8%
Blis Media Limited	520	1,771	(4)	2.4%
Response Tap Limited	1,440	1,502	62	2.0%
Big Data Partnership Limited	1,411	1,411	–	1.9%
InContext Solutions, Inc.	1,327	1,300	(22)	1.7%
Donatantonio Group Limited	1,096	1,257	–	1.7%
Charterhouse Leisure Limited	1,250	1,252	(232)	1.7%
Chess Technologies Limited	1,568	1,249	(94)	1.7%
Utility Exchange Online Limited	2,090	1,212	(1,038)	1.6%
Other venture capital investments	9,778	8,081	59	10.9%
Total venture capital investments	45,810	51,065	(474)	68.9%
Cash at bank and in hand		22,998		31.1%
Total investments		74,063		100.0%

Other venture capital investments at 31 August 2015 comprise: 7Digital Group plc, Amura Holdings Limited, Campden Wealth Limited, Celoxica Limited, Chargemaster plc, Cinergy International Limited, Cogora Group Limited, Cross Solar PV Limited, Dianomi Limited, Deltadot Limited, IS Solutions plc, MatsSoft Limited, Network Locum Limited, Omni Dental Sciences Limited, Peerius Limited, Perfect

SUMMARY OF INVESTMENT PORTFOLIO

CONTINUED

Channel Limited, Population Genetics Technologies Limited, Simplestream Limited, Senselogix Limited, Skills Matter Limited, Steribottle Global Limited, Vigilant Applications Limited and Watchfinder.co.uk Limited.

With the exception of 7Digital Group plc, Abzena plc and IS Solutions plc, all venture capital investments are unquoted.

All of the above investments, with the exception of Abzena plc, Amura Holdings Limited, Deltadot Limited, Omni Dental Sciences Limited and Population Genetics Technologies Limited, were also held by ProVen VCT plc, of which Beringea LLP is the investment manager.

Blis Media Limited, Cogora Group Limited, Cross Solar PV Limited and Donatantonio Group Limited were also held by ProVen Planned Exit VCT plc, of which Beringea LLP is the investment manager.

All venture capital investments held at the period end are registered in England and Wales except for InContext Solutions, Inc., a Delaware registered corporation in the United States of America.

SUMMARY OF INVESTMENT MOVEMENTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2015

Investment activity during the six months ended 31 August 2015 is summarised as follows:

ADDITIONS

	Cost £'000
D3O Holdings Limited	2,960
Sealskinz Holdings Limited	2,130
MyOptique Group Limited	1,230
Chess Technologies Limited	926
Big Data Partnership Limited	691
InContext Solutions, Inc.	675
Disposable Cubicle Curtains Limited	461
Network Locum Limited	160
Skills Matter Limited	135
Senselogix Limited	18
Total	9,386

SUMMARY OF INVESTMENT MOVEMENTS

CONTINUED

DISPOSALS

	Cost £'000	Market value at 1 March 2015 £'000	Disposal proceeds £'000	Gain/ (loss) against cost £'000	Realised gain/(loss) in period £'000
Eagle-i Music Limited	851	509	459	(392)	(50)
Chess Technologies Limited	300	300	300	–	–
MEL Topco Limited (t/a Maplin Electronics)	279	279	279	–	–
Speciality European Pharma Limited	138	138	138	–	–
Celoxica Limited	122	122	122	–	–
Peerius Limited	97	97	97	–	–
Long Eaton Healthcare Limited	–	16	23	23	7
Total	1,787	1,461	1,418	(369)	(43)

UNAUDITED CONDENSED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 AUGUST 2015

	(unaudited) Six months ended 31 Aug 2015			(unaudited) Six months ended 31 Aug 2014			(audited) Year ended 28 Feb 2015
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	622	–	622	628	–	628	920
(Loss)/gain on investments	–	(474)	(474)	–	748	748	3,614
	622	(474)	148	628	748	1,376	4,534
Investment management fee	(200)	(599)	(799)	(131)	(392)	(523)	(1,088)
Other expenses	(172)	(4)	(176)	(194)	(11)	(205)	(395)
Return/(loss) on ordinary activities before taxation	250	(1,077)	(827)	303	345	648	3,051
Tax on ordinary activities	–	–	–	–	–	–	–
Return/(loss) attributable to equity shareholders	250	(1,077)	(827)	303	345	648	3,051
Basic and diluted return/(loss) per share	0.3p	(1.3p)	(1.0p)	0.5p	0.5p	1.0p	4.8p

All revenue and capital items in the above statement derive from continuing operations. The total column within this statement represents the Unaudited Condensed Income Statement of the Company.

The Company has no recognised gains or losses other than the results for the six month period as set out above.

The accompanying notes form an integral part of this half-yearly report.

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2015

	(unaudited) 31 Aug 2015 £'000	(unaudited) 31 Aug 2014 £'000	(audited) 28 Feb 2015 £'000
Fixed assets			
Investments	51,065	37,369	43,571
Current assets			
Debtors	174	465	243
Cash at bank and in hand	22,998	14,815	22,061
	23,172	15,280	22,304
Creditors			
Amounts falling due within one year	(607)	(362)	(632)
Net current assets	22,565	14,918	21,672
Net assets	73,630	52,287	65,243
Capital and reserves			
Called up share capital	1,457	1,005	1,173
Capital redemption reserve	1,115	1,091	1,105
Share premium account	25,445	763	10,089
Share capital to be issued	–	–	3,125
Special reserve	38,040	42,416	41,128
Capital reserve – realised	2,567	3,812	3,213
Revaluation reserve	5,306	3,506	5,737
Revenue reserve	(300)	(306)	(327)
Total equity shareholders' funds	73,630	52,287	65,243
Basic and diluted net asset value per share	81.8p	84.2p	85.7p

The accompanying notes form an integral part of this half-yearly report.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 AUGUST 2015

Six months ended 31 August 2015 (unaudited)

	Called up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Share capital to be issued £'000	Special reserve £'000	Capital reserve – realised £'000	Re- valuation reserve £'000	Revenue reserve £'000	Total £'000
At 1 March 2015	1,173	1,105	10,089	3,125	41,128	3,213	5,737	(327)	65,243
Total comprehensive income	–	–	–	–	–	(646)	(431)	250	(827)
Share issue	294	–	15,356	(3,125)	–	–	–	–	12,525
Share issue costs	–	–	–	–	(585)	–	–	–	(585)
Purchase of own shares	(10)	10	–	–	(478)	–	–	–	(478)
Dividends paid	–	–	–	–	(2,025)	–	–	(223)	(2,248)
At 31 August 2015	1,457	1,115	25,445	–	38,040	2,567	5,306	(300)	73,630

Six months ended 31 August 2014 (unaudited)

	Called up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Share capital to be issued £'000	Special reserve £'000	Capital reserve – realised £'000	Re- valuation reserve £'000	Revenue reserve £'000	Total £'000
At 1 March 2014	1,014	1,080	674	–	43,283	4,312	3,585	(609)	53,339
Total comprehensive income	–	–	–	–	–	136	209	303	648
Share issue	2	–	89	–	–	–	–	–	91
Purchase of own shares	(11)	11	–	–	(545)	–	–	–	(545)
Dividends paid	–	–	–	–	–	(1,246)	–	–	(1,246)
Transfer between reserves	–	–	–	–	(322)	610	(288)	–	–
At 31 August 2014	1,005	1,091	763	–	42,416	3,812	3,506	(306)	52,287

The special reserve, capital reserve – realised and revenue reserve are distributable reserves. The distributable reserves are reduced by losses of £3,145,000 (2014: £2,845,000) which are included in the revaluation reserve. Reserves available for distribution therefore amount to £37,162,000 (2014: £43,077,000).

The accompanying notes form an integral part of this half-yearly report.

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 AUGUST 2015

	Note	(unaudited) Six months ended 31 Aug 2015 £'000	(unaudited) Six months ended 31 Aug 2014 £'000	(audited) Year ended 28 Feb 2015 £'000
Net cash (used in)/generated from operating activities	A	(309)	2,204	(514)
Cash flows from investing activities				
Purchase of investments		(9,386)	(10,601)	(15,343)
Disposal of investments		1,418	2,118	6,102
Net cash from investing activities		(7,968)	(8,483)	(9,241)
Cash flows from financing activities				
Proceeds from share issues		12,287	91	9,415
Share issue costs		(585)	–	(142)
Purchase of own shares		(478)	(557)	(1,095)
Share capital to be issued		–	–	3,125
Equity dividends paid		(2,010)	(1,246)	(2,293)
Net cash from financing		9,214	(1,712)	9,010
Increase/(decrease) in cash and cash equivalents	B	937	(7,991)	(745)
Notes to the cash flow statement:				
A. Net cash (used in)/generated from operating activities				
(Loss)/return on ordinary activities before taxation		(827)	648	3,051
Loss/(gain) on investments		474	(748)	(3,614)
Foreign exchange movement		–	–	5
Decrease in debtors		69	2,365	6
(Decrease)/increase in creditors		(25)	(61)	38
Net cash (used in)/generated from operating activities		(309)	2,204	(514)
B. Analysis of net funds				
Beginning of period/year		22,061	22,806	22,806
Net cash inflows/(outflows)		937	(7,991)	(745)
End of period/year		22,998	14,815	22,061

The accompanying notes form an integral part of this half-yearly report.

NOTES TO THE HALF-YEARLY REPORT

FOR THE SIX MONTHS ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

Basis of preparation

The Company has prepared its financial statements under Financial Reporting Standard 102 ("FRS102") and in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the "SORP"), which was revised in November 2014 by the Association of Investment Companies.

This is the first period in which the financial statements have been prepared under FRS102, however, it has not been necessary to restate comparatives as the treatment previously applied aligns with the requirements of FRS102. As a result, there are no reconciling differences between the previous financial reporting framework and the current financial reporting framework and the comparative figures represent the position under both current and previous financial reporting frameworks.

The following accounting policies have been applied consistently throughout the period. Further details of principal accounting policies will be disclosed in the Annual Report and Accounts for the year ended 29 February 2016.

a) *Presentation of Income Statement*

In accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue return attributable to equity shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in S274 of the Income Tax Act 2007.

b) *Investments*

Investments, including equity and loan stock, are designated as "fair value through profit or loss" assets due to investments being managed and performance evaluated on a fair value basis. A financial asset is designated within this category if it is both acquired and managed, with a view to selling after a period of time, in accordance with the Company's documented investment policy. The fair value of an investment upon acquisition is deemed to be cost. Thereafter investments are measured at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEVCVG") issued in December 2012, together with FRS102.

NOTES TO THE HALF-YEARLY REPORT

CONTINUED

The valuation methodologies used by the Directors for assessing the fair value of unquoted investments are as follows:

- investments are usually retained at cost for twelve months following investment, except where a company's performance against plan is significantly below the expectations on which the investment was made in which case a provision against cost is made as appropriate;
- where a company is in the early stage of development it will normally continue to be held at cost as the best estimate of fair value, reviewed for impairment on the basis described above;
- where a company is well established after an appropriate period, the investment may be valued by applying a suitable earnings or revenue multiple to that company's maintainable earnings or revenue. The multiple used is based on comparable listed companies or a sector but discounted to reflect factors such as the different sizes of the comparable businesses, different growth rates and the lack of marketability of unquoted shares;
- where a value is indicated by a material arms-length transaction by a third party in the shares of the company, the valuation will normally be based on this, reviewed for impairment as appropriate;
- where alternative methods of valuation, such as net assets of the business or the discounted cash flows arising from the business are more appropriate, then such methods may be used; and
- where repayment of the equity is not probable, redemption premiums will be recognised.

The methodology applied takes account of the nature, facts and circumstances of the individual investment and uses reasonable data, market inputs, assumptions and estimates in order to ascertain fair value. Methodologies are applied consistently from year to year except where a change results in a better estimate of fair value.

Where an investee company has gone into receivership or liquidation, or the loss in value below cost is considered to be permanent, or there is little likelihood of a recovery from a company in administration, the loss on the investment, although not physically disposed of, is treated as being realised.

All investee companies are held as part of an investment portfolio and measured at fair value. Therefore, it is not the policy for investee companies to be consolidated and any gains or losses arising from changes in fair value are included in the Unaudited Condensed Income Statement for the period as a capital item.

2. All revenue and capital items in the Unaudited Condensed Income Statement derive from continuing operations.
3. There are no other items of comprehensive income other than those disclosed in the Unaudited Condensed Income Statement.
4. The Company has only one operating segment as reported to the Board of Directors in their capacity as chief operating decision makers and derives its income from investments made in shares, securities and bank deposits.
5. The comparative figures are in respect of the year ended 28 February 2015 and the six month period ended 31 August 2014.
6. Basic and diluted return per share for the period has been calculated on 86,869,589 shares, being the weighted average number of shares in issue during the period.
7. Basic and diluted NAV per share for the period has been calculated on 90,010,829 shares, being the number of shares in issue at the period end.

8. DIVIDENDS

		(unaudited) Six months ended 31 Aug 2015			(unaudited) Six months ended 31 Aug 2014			(audited) Year ended 28 Feb 2015
	Pence	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
2014 Final	2.0	–	–	–	–	1,246	1,246	1,246
2015 First interim	2.0	–	–	–	–	–	–	1,233
2015 Final	2.5	223	2,025	2,248	–	–	–	–
Total dividends paid		223	2,025	2,248	–	1,246	1,246	2,479

9. CONTINGENT LIABILITIES, GUARANTEES AND FINANCIAL COMMITMENTS

The Company has no contingent liabilities, guarantees or financial commitments at 31 August 2015.

NOTES TO THE HALF-YEARLY REPORT

CONTINUED

10. CALLED UP SHARE CAPITAL

During the six months to 31 August 2015, 17,842,141 shares were issued with an aggregate nominal value of £288,816 pursuant to the offer for subscription dated 24 October 2014. The aggregate consideration for the shares was £15,412,412, which excluded share issue costs of £585,000.

Under the terms of the Company's Dividend Reinvestment Scheme, the Company allotted 284,545 shares to subscribing shareholders on 31 July 2015. The aggregate consideration for the shares was £237,026.

During the six months to 31 August 2015, the Company repurchased 590,860 shares for an aggregate consideration (net of costs) of £476,027 being an average price of 80.6p per share and which represented 0.8% of the Company's issued share capital at the start of the year. These shares were subsequently cancelled. Costs relating to the share repurchases amount to £2,000.

11. FINANCIAL INSTRUMENTS

Investments are valued at fair value as determined using the measurement policies described in note 1.

The Company has categorised its financial instruments that are measured subsequent to initial recognition at fair value, using the fair value hierarchy as follows:

- Level a** Reflects financial instruments quoted in an active market.
- Level b** Reflects financial instruments that have been valued based on prices of recent transactions for identical instruments.
- Level c (i)** Reflects financial instruments that have been valued using valuation techniques with observable inputs.
- Level c (ii)** Reflects financial instruments that have been valued using valuation techniques with unobservable inputs.

	(unaudited) 31 Aug 2015				(audited) 28 Feb 2015			
	Level a £'000	Level b £'000	Level c £'000	Total £'000	Level a £'000	Level b £'000	Level c £'000	Total £'000
AIM quoted	3,232	–	–	3,232	2,827	–	–	2,827
Loan notes	–	–	20,747	20,747	–	–	17,051	17,051
Unquoted equity	–	–	23,896	23,896	–	–	20,471	20,471
Preference shares	–	–	3,190	3,190	–	–	3,222	3,222
Total	3,232	–	47,833	51,065	2,827	–	40,744	43,571

All financial instruments included within the Level c column have been categorised as Level c (ii) financial instruments and have been valued using valuation techniques with unobservable inputs.

12. CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

In the opinion of the Directors there is no immediate or ultimate controlling party.

Malcolm Moss, a Director of the Company, is also a Partner of Beringea LLP. Beringea LLP was the Company's investment manager during the period. During the six months ended 31 August 2015, £799,000 was payable to Beringea LLP in respect of these services. At the period end the Company owed Beringea LLP £365,000.

Beringea LLP also acted as promoter for the share offers during the period. The fees in the period amount to £585,000 out of which it paid the costs of the offer including initial commissions. At the period end, the Company owed Beringea LLP £nil in respect of these services.

Beringea LLP was appointed the Company's Administration Manager on 13 January 2015. In the six month period, administration fees payable to Beringea LLP amounted to £8,400, of which £8,400 was outstanding at the period end.

During the six months to 31 August 2015, an amount of £52,500 was payable to the Directors of the Company. No amount was outstanding at the period end.

13. The unaudited financial statements set out herein have not been subject to review by the auditor and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. They have therefore not been delivered to the Registrar of Companies. The figures for the year ended 28 February 2015 have been extracted from the financial statements for that period.

NOTES TO THE HALF-YEARLY REPORT

CONTINUED

which have been delivered to the Registrar of Companies; the Auditor's report on those financial statements was unmodified.

- 14.** The Directors confirm that, to the best of their knowledge, the half-yearly financial statements have been prepared in accordance with Financial Reporting Standard 104 ("FRS104") issued by the Financial Reporting Council 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.

15. RISK AND UNCERTAINTIES

Under the Disclosure and Transparency Directive, the Board is required in the Company's half-yearly results, to report on the 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 volatile stock market conditions and their potential effect on the value of the Company's venture capital investments and the exit opportunity for those investments; and
- iii.** breach of VCT regulations.

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.

The Company's compliance with the VCT regulations is continually monitored by the Administration Manager, who reports regularly to the Board on the current position. The Company also retains Robertson Hare LLP 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.

16. GOING CONCERN

The Directors have reviewed the Company's financial resources at the period end and conclude that the Company is well placed to manage its business risks.

The Board confirms that it is satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, the Board believes 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.

- 17.** 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.co.uk**.

18. POST BALANCE SHEET EVENTS

After the period end, the Company made further investments in Cogora (£833,000), Big Data Partnership (£634,000) and Disposable Cubicle Curtains (£58,000).

SHAREHOLDER INFORMATION

SHARE PRICE

The Company's share prices can be found on various financial websites, including the London Stock Exchange (www.londonstockexchange.com) with the following TIDM/EPIC codes:

TIDM/EPIC code	PGI
Latest share price (9 October 2015)	78.5p per share

A link to the share price is also available on Beringea's dedicated VCT website (www.provenvcts.co.uk).

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, on 0371 664 0324 (calls charged at 10p per minute plus network extras), or by writing to them at The Registry, 34 Beckenham Road, Beckenham, BR3 4TU.

BUYING AND SELLING SHARES

The Company's shares can be bought and sold in the same way as those of any other company listed on the London Stock Exchange using a stockbroker. Shareholders are advised to seek advice from their tax adviser, before selling shares.

The Company currently 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. If you are considering selling your shares or trading them in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ("Panmure").

Panmure are able to provide details of the price at which they will buy shares. Panmure can be contacted as follows:

Chris Lloyd – 020 7886 2716 chris.lloyd@panmure.com

Paul Nolan – 020 7886 2717 paul.nolan@panmure.com

UNSOLICITED CALLS TO SHAREHOLDERS

We are aware of cases of Shareholders in other VCTs having received unsolicited phone calls, e-mails or correspondence concerning investment matters. Please note that it is very unlikely that the Company, Beringea or the Company Registrar, Capita Registrars, would make unsolicited telephone calls, or send e-mails, to Shareholders. Shareholders can, however, expect official documentation in connection with the Company and may receive details of investment activity and new VCT offers from the Investment Manager. Furthermore, please be assured that the Company limits access to its share register to the maximum extent permissible under the Companies Act 2006. If you receive either an unexpected phone call or correspondence about which you have concerns, please contact Beringea LLP, the Company Secretary, on **020 7845 7820**.

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.

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 Investment Manager's website: www.provenvcts.co.uk. Shareholders can also check details of their shareholdings using Capital Asset Services' website www.capitaregistrars.com. Please note that to access this facility investors will need to quote the reference number shown on their share/dividend certificate.

COMPANY INFORMATION

DIRECTORS

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

all of:

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INVESTMENT MANAGER

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REGISTRAR

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Tel: 0371 664 0324

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

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