

ProVen Growth & Income VCT plc

Half-Yearly Report

For the Six Months Ended 31 August 2013



Managed by
Beringea LLP



Principal 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 2013 Pence	31 Aug 2012 Pence	28 Feb 2013 Pence
Ordinary Shares *			
Net asset value per share ("NAV")	83.1	78.5	87.7
Dividends paid **	22.6	18.6	18.6
Total return (NAV plus dividends paid)	105.7	97.1	106.3

* The Ordinary Shares were originally created as 'C' Shares in 2006. The original Ordinary Shares merged with the 'C' Shares in October 2009 at which point the 'C' Shares were converted into Ordinary Shares on a one-for-one basis.

** Represents dividends paid in respect of the 'C' Shares between their launch in 2006 up until their conversion in 2009 and as Ordinary Shares since the 'C' Share conversion.

The table above reflects returns since the initial launch of the 'C' Share class (now the Ordinary Share class). Returns for individual fundraisings are provided in the "Shareholder Information" section on page 21.

Chairman's Statement

Introduction

I am pleased to present my report for the six months ended 31 August 2013 and also to welcome new Shareholders who have joined the Company as a result of the recent merger with ProVen Health VCT.

Although general conditions remain challenging, the Company has been able to make continued progress in terms of securing further profitable exits and delivering the benefits of the merger.

Net asset value

As at 31 August 2013, the net asset value ("NAV") per share stood at 83.1p, a decrease of 0.6p per share or 0.7% since the year end (after adjusting for the 4.0p dividend paid on 2 August 2013).

Merger with ProVen Health VCT plc

The merger with ProVen Health VCT plc completed on 6 August 2013. The Company acquired the assets of ProVen Health VCT plc, which were valued at £6.4 million, and issued 7,447,624 new shares to ProVen Health VCT plc shareholders in exchange. The merger brings a number of benefits including reducing the burden of fixed running costs for all shareholders by virtue of the larger size of the Company and in increasing portfolio diversity.

In addition, I am pleased to welcome Frank Harding as a new non-executive director. Frank was previously a director of ProVen Health VCT plc and so brings detailed knowledge of that portfolio. As a chartered accountant with over 40 years' experience at KPMG, I believe Frank will be a valuable addition to the Board.

Venture capital investments

In addition to the new investments arising from the merger, the Company also made three follow on investments at a total cost of £843,000. There were two significant disposals that took place in the period. The sale of the investment in Fjordnet realised a gain against original cost of £4.0 million and also has the potential for further proceeds over the next year. The investment in the salad bar chain, Tossed, was also sold, producing a gain against original cost of £162,000. There were also several loan stock redemptions which took place at par value and the receipt of deferred consideration from a historic disposal previously valued at nil.

In reviewing the investment valuations at the period end, the Board has agreed a number of adjustments. The net effect of the movements was an unrealised gain of £149,000, alongside net realised gains in the period of £206,000.

Results and dividends

The Income Statement shows a return on ordinary activities after taxation for the Company during the period of £715,000 (£143,000 revenue return and £572,000 capital return).

An interim dividend of 2p per share will be paid on 15 November 2013 to Shareholders on the register at 25 October 2013.

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. Former ProVen Health shareholders, who were participants in the ProVen Health VCT DRIS will need to re-register to join the ProVen Growth and Income VCT DRIS. DRIS forms can be obtained from the Company’s website www.provenvcts.co.uk or by contacting Beringea on 020 7845 7820. Shareholders will need to be registered for the DRIS prior to 25 October 2013 to ensure that they will be eligible to receive the forthcoming dividend as new shares.

Fundraising activities and share issues

The offer for subscription launched in January 2013 and continued to raise funds throughout the period. As at the date of this report, the offer had raised gross proceeds of more than £9 million. The offer will close on 30 November 2013.

The Company allotted 150,644 shares under the Company’s DRIS in respect of the dividend paid on 2 August 2013. The shares were issued at 83.9p per share.

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 Board monitors the market in its own shares as well as trends amongst other VCTs. Shareholders will be aware from my statement in the Annual Report that the Company has now appointed Panmure Gordon as its corporate broker. The Board is pleased to note that this move has already significantly reduced the spread on the Company’s shares and, as a result, is providing more reliable pricing for Shareholders seeking to buy or sell shares. The Board has furthermore decided to reduce the discount at which it expects to buy in shares in the market from a 10% to a 5% discount to the latest published NAV with immediate effect.

During the period, the Company purchased 559,695 shares, through the normal share buyback facility, at an average price of 75.5p per share. These shares were subsequently cancelled. As reported previously, the Company also offered an enhanced share buyback facility during the period whereby, on 2 April 2013 and 8 April 2013, 4.8 million shares were purchased from Shareholders at 80.1p per share and 4.7 million new shares were issued at 82.6p per share.

Shareholders who are considering selling their shares may wish to consider contacting Panmure Gordon, prior to any sale. Panmure is able to confirm the price at which they will buy in shares. Contact details are on page 22.

Outlook

Your Board remains pleased with progress made by the Company and satisfied that the existing portfolio offers potential for further capital growth and profitable realisations. Additional comfort is taken from the fact that there are now some indications that the UK economy may be heading towards a modest recovery.

With a significant level of funds available for new investment, the Board is reassured that the Manager continues to have a steady pipeline of potential new opportunities and expects to see several new investments completed over the remainder of the year, including in some of the niche sectors where the Company has had significant success in the past.

Marc Vlesing

Chairman

16 October 2013

Investment Manager's Report

Introduction

We have pleasure in presenting our half yearly report to 31 August 2013 for ProVen Growth and Income VCT plc.

Portfolio activity and valuation

At 31 August 2013, the Company's investment portfolio comprised holdings in 35 companies, of which 32 were unquoted and 3 were quoted on AIM, and £28.0 million in cash. The venture capital portfolio valuation of £22.3 million represents an overall uplift of 9% on the original acquisition cost of £20.6 million. Whilst there have been a number of strong performers within the portfolio, it is reassuring that this uplift is not dependent on a small number of companies: almost two thirds of the portfolio by number is valued at or above cost (or transfer value for former ProVen Health VCT plc ("PHV") investments). This is during a time when general economic conditions have been particularly difficult and finance for both businesses and consumers has been constrained.

The most significant development during the period was the transfer in August of 12 venture capital investments valued at £3.5 million and £2.7 million in cash from the merger of the Company with PHV. Six of these investments – APM Healthcare, Inskin Media, Cognolink, Utility Exchange Online, Skills Matter and Long Eaton Healthcare – with a transfer value of £2.2 million, were already held by the VCT.

The remainder of the value of the transferred venture capital investments was in two companies: Polytherics (transfer value £1.0 million) and Altacor (transfer value £256,000). Polytherics is a biotechnology company that applies precision chemistry to develop protein and peptide based drugs. These technologies can extend the duration of action of these drugs so that patients require fewer injections, and can create more efficacious products. In July, Polytherics merged with Antitope, a company which is able to "humanise" antibodies in order to decrease the potential risk of generating unwanted immune responses to drugs. ProVen Growth and Income VCT provided further funding of £260,000 in September in support of this acquisition. Altacor is an ophthalmology speciality pharmaceutical company which develops and markets products directed to the needs of both ophthalmologists and patients. The other investments were all transferred at zero value.

The Company also acquired the rights to potential further proceeds of approximately £1.1 million from Biovex, which was sold by ProVen Health VCT in 2011. As at 31 August 2013, a value of £120,000 has been attributed to these proceeds and is included in debtors.

In addition to the new investments arising from the merger, a further £843,000 was invested during the period by the Company in Monica Vinader (£415,000), Utility Exchange Online ("UEO") (£353,000) and APM Healthcare (£75,000). All these investments were to support further growth of the businesses. The investment in Monica Vinader was part of a £2.5 million funding round which will be used primarily to open new stand-alone Monica Vinader stores, following the success of the first such store which opened in London's Mayfair in 2011. UEO will use the additional funding for investment in marketing initiatives, with the objective of increasing its already rapidly growing customer base. APM Healthcare has already opened 18 pharmacies in doctors' surgeries across the UK. The further funding is part of a total funding round of £300,000 which will enable it to continue this roll-out.

Another significant development during the period was the sale of portfolio company Fjordnet, which delivered a four times return on the Company's equity investment over a four and a half year period. This continues a list of notable successes in the digital media sector alongside Mergermarket, ILG Digital, Steak Media and Saffron Media. Tossed was sold to management in April generating a return of 36% on the initial investment in three years. The valuation uplift achieved on the disposal of these two companies was accounted for in the Annual Report and Accounts for the period to 28 February 2013.

Campden Media was restructured during the period with the divestment of the division which focuses on the wealth management sector. ProVen Growth and Income VCT now holds an increased equity interest in the company, which is now a specialist healthcare marketing and communications business. The Company also holds a secured loan in the wealth management business.

We continue to see a good flow of companies seeking funding to support their growth plans and expect to make a number of new investments over the next few months. In the meantime, we are looking at ways of increasing the return from the cash awaiting investment and being held to fund future dividends, share buy backs and expenses, without significantly increasing the risk profile of this portion of the portfolio.

In July, shareholders approved a change in the investment policy of the Company, to enable it to invest some of its assets in debt and debt related securities of growth companies. We have recently recruited a new investment manager who has significant experience in this area, with the objective of building a portfolio of debt-based investments.

Outlook

Recent macroeconomic news on the UK economy has been encouraging although arguably much remains to be done to get the economy on a sustainable footing. Whilst such news provides grounds for cautious optimism for both portfolio company earnings growth and potential exit opportunities, we remain focussed on identifying investment opportunities that can prosper no matter what the economic environment. Some of these will be existing “best in class” smaller companies whilst others may be taking advantage of new technologies and trends that create new markets.

We are pleased with the overall progress of the existing portfolio over the period and look forward to reporting on further developments in the next Annual Report.

Beringea LLP

16 October 2013

Unaudited Balance Sheet

as at 31 August 2013

	31 Aug 2013 £'000	31 Aug 2012 £'000	28 Feb 2013 £'000
Fixed assets			
Investments	22,310	18,450	26,893
Current assets			
Debtors	340	260	268
Current investments	–	2,500	–
Cash at bank and in hand	28,049	12,962	11,496
	28,389	15,722	11,764
Creditors: amounts falling due within one year	(448)	(309)	(318)
Net current assets	27,941	15,413	11,446
Net assets	50,251	33,863	38,339
Capital and reserves			
Called up share capital	979	628	693
Capital redemption reserve	1,069	977	982
Unallotted share capital	–	–	781
Share premium account	35,751	17,797	17,727
Special reserve	8,562	11,802	11,272
Capital reserve – realised	2,286	1,430	723
Revaluation reserve	2,129	1,435	6,142
Revenue reserve	(525)	(206)	19
Equity shareholders' funds	50,251	33,863	38,339
Net asset value per Share:	83.1p	78.5p	87.7p

Unaudited Income Statement

for the six months ended 31 August 2013

	Six months ended 31 Aug 2013			Six months ended 31 Aug 2012*			Year ended 28 Feb 2013
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income							
Continuing operations	482	–	482	824	–	824	1,301
Acquisitions	7	–	7	–	–	–	–
	489	–	489	824	–	824	1,301
Gains on investments							
Continuing operations	–	293	293	–	122	122	4,137
Acquisitions	–	62	62	–	–	–	–
	–	355	355	824	122	946	4,137
Net gain on acquisition of net assets	–	580	580	–	–	–	–
Total income	489	935	1,424	824	122	946	5,438
Investment management fee	(120)	(359)	(479)	(71)	(214)	(285)	(688)
Other expenses	(226)	(4)	(230)	(210)	–	(210)	(385)
Return/(loss) on ordinary activities before taxation	143	572	715	543	(92)	451	4,365
Tax on ordinary activities	–	–	–	–	–	–	–
Return/(loss) attributable to equity shareholders	143	572	715	543	(92)	451	4,365
Basic and diluted return/ (loss) per Ordinary Share	0.3p	1.1p	1.4p	1.6p	(1.0p)	0.6p	11.1p
Basic and diluted return/ (loss) per 'D' Share	n/a	n/a	n/a	0.0p	2.9p	2.9p	n/a

* Company Total – comprises Ordinary and 'D' Share portfolio.

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 August 2013

	31 Aug 2013 Total £'000	31 Aug 2012 Total £'000	28 Feb 2013 Total £'000
Opening shareholders' funds	38,339	35,384	35,384
Proceeds from share issues	18,665	39	40
Share issue costs	(268)	–	–
Movement in share capital to be issued	(781)	–	781
Purchase of own shares	(4,330)	(492)	(711)
Total recognised gains for the period	715	451	4,365
Dividends paid in the period	(2,089)	(1,519)	(1,520)
Closing shareholders' funds	50,251	33,863	38,339

Unaudited Cash Flow Statement

for the six months ended 31 August 2013

	Note	Six months ended 31 Aug 2013 £'000	Six months ended 31 Aug 2012 £'000	Year ended 28 Feb 2013 £'000
Net cash inflow from operating activities	A	15	196	42
Capital expenditure				
Purchase of investments		(843)	(1,008)	(5,136)
Disposal of investments		9,283	1,345	1,098
Net cash inflow/(outflow) from capital expenditure		8,440	337	(4,038)
Acquisitions				
Cash acquired		2,746	–	–
Acquisition costs		(140)	–	–
		2,606	–	–
Equity distributions paid		(2,089)	(1,520)	(1,520)
Management of liquid resources				
Withdrawal from liquidity funds		–	–	2,500
		–	–	2,500
Net cash inflow/(outflow) before financing		8,972	(987)	(3,016)
Financing				
Proceeds from share issue		12,960	39	40
Share issue costs		(268)	–	–
Purchase of own shares		(4,330)	(492)	(711)
Movement in unallotted share capital		(781)	–	781
Net cash inflow/(outflow) from financing		7,581	(453)	110
Increase/(decrease) in cash	B	16,553	(1,440)	(2,906)
Notes to the cash flow statement:				
A Net cash flow from operating activities				
Return on ordinary activities before taxation		715	451	4,365
Gains on investments		(355)	(122)	(4,137)
Net gains on acquisition of assets		(580)	–	–
Decrease/(increase) in debtors		105	(95)	(157)
Increase/(decrease) in creditors		130	(38)	(29)
Net cash inflow from operating activities		15	196	42
B Analysis of net funds				
Beginning of period		11,496	14,402	14,402
Net cash inflow/(outflow)		16,553	(1,440)	(2,906)
End of period		28,049	12,962	11,496

Summary of Investment Portfolio

as at 31 August 2013

	Cost £'000	Valuation £'000	Valuation movement in the period £'000	% of portfolio by value
Top ten venture capital investments (by value)				
Cognolink Limited	2,051	2,051	–	4.1%
Donatantonio Limited	1,300	1,981	(246)	3.9%
APM Healthcare Limited	1,731	1,928	197	3.8%
Utility Exchange Online Limited	1,830	1,830	–	3.6%
Blis Media Limited	621	1,681	243	3.3%
Chess Technologies Limited	900	1,556	519	3.1%
Inskin Media Limited	1,435	1,435	–	2.9%
Charterhouse Leisure Limited	1,000	1,372	195	2.7%
Espresso Group Limited	483	1,278	66	2.5%
Skills Matter Limited	1,025	1,025	–	2.1%
	12,376	16,137	974	32.0%
Other venture capital investments	8,178	6,173	(825)	12.3%
	20,554	22,310	149	44.3%
Cash at bank and in hand		28,049		55.7%
Total		50,359		100.0%

Other venture capital investments at 31 August 2013 comprise: Polytherics Limited, Eagle-i Music Limited, Monica Vinader Limited, Matssoft Limited, SPC International Limited, Campden Media Limited, Eagle Rock Entertainment Group Limited, Cross Solar PV Limited, Campden Wealth Limited, Altacor Limited, Speed-Trap Holdings Limited, Pilat Media Global plc, Dianomi Limited, Cinergy International (UK) Limited, UBC Media Group plc, Senselogix Limited, Immedia Broadcasting plc, Long Eaton Healthcare Limited, Amura Holdings Limited, Baby innovations S.A. t/a Steribottle, Deltadot Limited, Omni Delta Sciences Limited, Population Genetics Technologies Limited, Sports Holdings Limited and Vigilant Applications Limited.

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

Summary of Investment Movements

for the six months ended 31 August 2013

Additions

Cost
£'000

Monica Vinader Limited	415
Utility Exchange Online Limited	353
APM Healthcare Limited	75
	843

Acquired as a result of the merger with ProVen Health VCT plc

APM Healthcare Limited	1,231
Polytherics Limited	1,018
Inskin Media Limited	320
Cognolink Limited	319
Altacor Limited	256
Utility Exchange Online Limited	200
Skills Matter Limited	159
	3,503

Also acquired as a result of the merger but for nil or negligible value were: Long Eaton Healthcare Limited, Amura Holdings Limited, Deltadot Limited, Omni Dental Sciences Limited and Population Genetics Technologies Limited.

Disposals

	Cost £'000	Market value at 1 March 2013 £'000	Disposal Proceeds £'000	Gains against cost £'000	Realised gain in period £'000
Fjordnet Limited	2,226	6,227	6,227	4,001	–
Espresso Group Limited	1,100	1,100	1,100	–	–
Cross Solar PV Limited	574	574	574	–	–
Tossed Limited	624	786	786	162	–
Campden Media Limited	324	324	324	–	–
Donatantonio Limited	66	66	86	20	20
Isango! Limited	–	–	1	1	1
Steak Media Limited	–	–	185	185	185
	4,914	9,077	9,283	4,369	206

Notes to the Unaudited Financial Statements

1. The unaudited half-yearly results cover the six months to 31 August 2013 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 and acquisitions.
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 2012 and the year ended 28 February 2013.
6. Return per share for the period has been calculated on the following:

Revenue return per share based on: Net revenue return after taxation (£'000)	143
Capital return per share based on: Net capital return after taxation (£'000)	572
Weighted average number of shares in issue	51,170,888

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

Net assets (£'000)	50,251
Number of shares in issue at period end	60,475,468

8. Dividends

	Pence	Six months to 31 Aug 2013			Six months to 31 Aug 2012			Year ended 28 Feb 2013
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
2013 Interim	4.0	687	1,402	2,089	–	–	–	–
2012 Final	4.5	–	–	–	169	1,351	1,520	1,520

9. Reserves

	Capital redemption reserve £'000	Share premium account £'000	Unallotted share capital £'000	Special reserve £'000	Capital reserve- realised £'000	Revaluation reserve £'000	Revenue reserve £'000
At 1 March 2013	982	17,727	781	11,272	723	6,142	19
Purchase of own shares	87	–	–	(4,330)	–	–	–
Issue of new shares	–	18,024	(781)	–	–	–	–
Expenses capitalised	–	–	–	–	(363)	–	–
Tax relief on capital expenses	–	–	–	–	–	–	–
Gains on investments	–	–	–	–	206	149	–
Net gain on acquisition of assets	–	–	–	–	580	–	–
Retained revenue	–	–	–	–	–	–	143
Transfer between reserves	–	–	–	1,620	2,542	(4,162)	–
Distributions paid	–	–	–	–	(1,402)	–	(687)
At 31 August 2013	1,069	35,751	–	8,562	2,286	2,129	(525)

The Special reserve, Capital reserve-realised and Revenue reserve are all distributable reserves. The Revaluation reserve includes losses of £2,200,000 which are included in the calculation of distributable reserves. Total distributable reserves are £8,123,000.

10. Contingent liabilities, guarantees and financial commitments

The Company has no contingent liabilities, guarantees and financial commitments.

11. Controlling party and related party transactions

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

Malcolm Moss is a Partner of Beringea LLP. Beringea LLP was the Company's Investment Manager during the year. During the six months ended 31 August 2013, £479,000 was payable to Beringea LLP in respect of these services. At the period end the Company owed Beringea LLP £246,000.

Beringea LLP, acted as promoter for the Share offers during the period. The fees in the period amounted to £268,000 out of which it paid the costs of the offer including initial commissions. At the period end the company owed Beringea LLP £31,000 in respect of these services.

12. Acquisition

On 6 August 2013, the Company completed the acquisition of the assets of ProVen Health VCT plc.

	£'000	£'000
Fair value of investments acquired	3,503	
Fair value of debtors acquired	131	
Cash at bank and in hand	2,746	
Fair value of net assets acquired		6,380
Net gain on acquisition of net assets		(580)
Costs in relation to the scheme		(140)
Consideration		5,660
Consideration satisfied by:		
Market value of Ordinary Shares issued on the date of acquisition		5,660

The fair value of assets acquired from ProVen Health VCT plc was established by a valuation report under Section 593 of the Companies Act 2006 issued by Scott-Moncrieff on 6 August 2013. The market value of the shares issued is based on the mid-market price of the Ordinary Shares at the date of acquisition. The number of consideration shares issued by the company was determined by relative net asset value of the companies. As a result, a gain on the acquisition of the assets has arisen because the Company's shares trade at a discount to the underlying net asset value of the Company.

13. 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 2013 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.

14. 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.

15. 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 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.

16. 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.

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.com** and **www.downing.co.uk**.

Shareholder Information

Shareholder Investment and Returns Analysis

The table below shows the investment returns per £1 invested for each fundraising. 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.

Original share class	Tax year	Allotment date(s)	Income tax relief	Net cost with initial income tax relief	Dividends received	Current valuation	Total return
Ordinary	2000/01	All dates	20%	80.0p	154.9p	51.2p	206.1p
Ordinary	2001/02	All dates	20%	80.0p	154.9p	51.2p	206.1p
Ordinary	2007/08	All dates	30%	70.0p	50.5p	48.8p	99.3p
Ordinary	2008/09	All dates	30%	70.0p	50.5p	48.8p	99.3p
Ordinary	2009/10	All dates	30%	70.0p	16.4p	104.5p	120.9p
Ordinary	2010/11	To 28/05/10	30%	70.0p	16.4p	104.5p	120.9p
Ordinary	2010/11	From 29/05/10	30%	70.0p	14.3p	91.7p	106.0p
Ordinary	2011/12	To 02/06/11	30%	70.0p	14.3p	91.7p	106.0p
Ordinary	2011/12	24/08/11	30%	70.0p	9.8p	96.3p	106.1p
Ordinary	2011/12	31/10/11	30%	70.0p	10.1p	98.5p	108.6p
Ordinary	2012/13	All dates	30%	70.0p	4.7p	98.0p	102.7p
	(non-advised)						
Ordinary	2012/13	All dates	30%	70.0p	4.9p	101.1p	106.0p
	(advised)						
Ordinary	2013/14	To 30/05/13	30%	70.0p	4.7p	98.0p	102.7p
	(non-advised)						
Ordinary	2013/14	To 30/05/13	30%	70.0p	4.9p	101.1p	106.0p
	(advised)						
Ordinary	2013/14	From 30/05/13	30%	70.0p	4.3p	89.5p	93.8p
	(non-advised)						
Ordinary	2013/14	From 30/05/13	30%	70.0p	4.4p	92.3p	96.7p
	(advised)						
C	2005/06	All	40%	60.0p	22.6p	83.1p	105.7p
D	All	All	30%	70.0p	4.6p	95.0p	99.6p

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 Asset Services, whose details are on page 24 of this document.

Share prices

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

TIDM/EPIC code	PGOO
Latest share price (15 October 2013):	76.0p per share

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 Asset Services' website at **www.capitaassetservices.com**, by clicking on "Products & Services" and then "UK Shareholders and employees".

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 via a stockbroker. Shareholders who invested in the Company in the 2008/2009 tax year and subsequent tax years should be aware that they need to hold their shares for a minimum period of time to retain the income tax relief they received on investment. Selling your shares may have tax consequences, 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. If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ("Panmure").

Panmure 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 VCT has bought in shares. Panmure can be contacted as follows:

Chris Lloyd – 0207 886 2716 chris.lloyd@panmure.com

Paul Nolan – 0207 886 2717 paul.nolan@panmure.com

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 Asset Services, under the signature of the registered holder.

Unsolicited communication with Shareholders

We are aware of cases of shareholders in VCTs having received unsolicited phone calls, e-mails or correspondence concerning investment matters. Please note that it is very unlikely that the Company, Beringea LLP or the Company's Registrar, Capita Asset Services, 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 the Company's share register by third parties to the maximum extent permissible under the Companies Act 2006. If you receive either an unexpected telephone call or correspondence about which you have concerns, please contact Grant Whitehouse, the Company Secretary, on 020 7416 7780.

Directors

Marc Vlessing (Chairman)
Natasha Christie-Miller
Frank Harding
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

Registered Office

39 Earlham Street
London WC2H 9LT
Registered No. 4125326

Registrar

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
www.capitaassetservices.com
Tel: 0871 664 0324

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

Corporate Broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF



