

proven

PROVEN VCT PLC

HALF-YEARLY REPORT

For the Six Months Ended 31 August 2014



Managed by BERINGEA LLP

PROVEN 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 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

Ordinary Shares	31 Aug 2014 Pence	31 Aug 2013 Pence	28 Feb 2014 Pence
Net asset value per share ("NAV")	97.9	98.4	103.6
Dividends paid per share since conversion/consolidation*	12.5	5.0	7.5
Total return (NAV plus dividends paid*)	110.4	103.4	111.1

* Dividends paid represent dividends paid since the consolidation of 5p Ordinary Shares into 10p Ordinary Shares on 30 October 2012. Prior to this date, the Company paid dividends totalling 113.95p on the 5p Ordinary Shares.

Returns for individual fundraisings are provided in the "Shareholder Information" section on page 20.



CHAIRMAN'S STATEMENT

INTRODUCTION

I am pleased to present my report for the six months ended 31 August 2014.

NET ASSET VALUE

As at 31 August 2014, the net asset value ("NAV") per share stood at 97.9p, a small decrease of 0.7p per share or 0.7% since the year end (after adjusting for the total dividends of 5.0p per share paid during the period).

VENTURE CAPITAL INVESTMENTS

The Company has been an active investor during the six month period, completing some £10.9 million of new investments, along with £584,000 of follow-on investments. A further £2.8 million was invested after the period end up to the date of the report. The majority of the new funds invested have been in VCT qualifying investments, but £3.9 million has been invested in non-qualifying opportunities which allows the Company to benefit from a higher potential return than would otherwise be the case on funds held in cash.

There were also a number of realisations in the six month period producing £3.0 million of proceeds. The most significant disposals were those of Eagle Rock Entertainment Group and Pilat Media Global along with further earnout monies from the earlier disposals of Steak Media, Fjordnet and Espresso Group. Realised gains in the period totalled £424,000 as shown on page 14.

Within the existing portfolio there have been a number of positive and negative movements in individual valuations which has resulted in a net unrealised loss of £508,000 during the period. However, generally the investments have continued to make satisfactory progress.

Further details of investment activity can be found in the Investment Manager's Report on pages 6 to 8.

RESULTS AND DIVIDENDS

The Income Statement shows a loss on ordinary activities after taxation for the Company during the period of £259,000 (£313,000 revenue return and £572,000 capital loss).

An interim dividend of 2.5p per share will be paid on 21 November 2014 to Shareholders on the register at 31 October 2014.

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 31 October 2014 to ensure that they will be eligible to receive the forthcoming dividend as new shares.

FUNDRAISING AND SHARE ISSUES

The offer for subscription that launched on 22 October 2013 closed on 30 September 2014 having raised gross proceeds of £16.6 million. The new funds ensure that the Company continues to hold a significant level of cash and is well-placed to take advantage of new investment opportunities in an improving climate.

The Company allotted 111,633 shares under the Company's DRIS in respect of the dividend paid on 28 March 2014. The shares were issued at 99.6p per share. The Company allotted 162,276 shares under the Company's DRIS in respect of the dividend paid on 25 July 2014. The shares were issued at 98.3p per share.

SHARE BUYBACKS

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

During the period, the Company completed purchases of 410,409 shares, through the normal buyback facility, at an average price of 94.7p per share; these shares were subsequently cancelled.

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

Following the major realisations that have occurred in recent years, such as Steak Media and Espresso Group, the Manager continues to focus on replenishing the portfolio with new investments, while continuing to pursue exit opportunities for some of the more mature investments in the portfolio. Good progress on new investments has been made to this end in the first half of the year and, with the Manager continuing to report a strong pipeline of potential investment opportunities, the Board expects to see further additions over the remainder of the year. The existing portfolio includes a number of investments which are developing well and which, with the benefit of improving economic conditions, may be able to provide profitable realisations in due course.

Andrew Davison

Chairman

21 October 2014

INVESTMENT MANAGER'S REPORT

INTRODUCTION

We have pleasure in presenting our half-yearly report for the six month period to 31 August 2014. This has been a particularly strong period for investment activity, with over £14 million of investments being completed in the period from 1 March 2014 to the date of this report. This represents over 25% of the Company's opening net asset value. Ten new companies have been added to the investment portfolio and further investments have been made in five portfolio companies. It has also been a successful period for investment realisations, with three full exits and the receipt of additional earnout proceeds in relation to earlier investment disposals.

PORTFOLIO ACTIVITY AND VALUATION

At 31 August 2014, the Company's investment portfolio consisted of 35 investments of which 34 were unquoted, at a cost of £32.4 million and a valuation of £35.3 million. This represents an unrealised uplift on cost of 9%, or 14% when new investments made during the period, which are valued at cost, are excluded. Additionally, the Company held cash of £25.1 million, a significant proportion of which related to the recent fundraising which closed on 30 September 2014 and resulted in total net funds being raised of £16.6 million. Some £2.8 million of this cash was deployed in new investments between 31 August 2014 and the date of this report.

Our previous review in the annual report to 28 February 2014 commented on the post year end investments in MyOptique Group, Europe's leading online eyewear retailer, (£1.6 million), Response Tap, a cloud-based, telephone call analytics solution (£1.1 million), Big Data Partnership, a services/consultancy firm specialising in the area of big data analytics (£530,000), and Peerius, a software provider (£600,000). In addition to these, we made further new investments during the period to 31 August 2014 in Maplin (£2.5 million), Chargemaster (£2.1 million), Perfect Channel (£1.7 million) and Celoxica (£750,000).

Maplin is a familiar presence on the British High Street as a specialist retailer of a wide range of electronic equipment and has a turnover of £200 million a year. Maplin was the subject of a management buyout from its private equity owner in June 2014, with equity finance provided primarily by Rutland Partners, with ProVen VCT and ProVen Growth and Income VCT each investing £2.5 million. The investment is not VCT qualifying, as the Company exceeds the gross assets and employee limits set by the VCT rules, but we believe it has the potential to deliver an attractive return and will therefore hold it as part of the non-qualifying portion of the Company's assets. Chargemaster is the UK's leading provider of electric vehicle charging infrastructure. The ProVen VCTs' investment of £3.0 million will be used to strengthen the company's position in the UK market and fund further expansion into Europe. The company was recently placed 32nd in the Sunday Times Hiscox Tech Track 100, a list of the UK's top 100 fastest growing private technology companies. Perfect Channel is a provider of online auction platforms for business. It works

with businesses including the auctioneer Christie's, Manchester City FC and Lloyds of London using its market leading technology and significant experience to facilitate improved results for the auction process. The £2.0 million ProVen VCTs' investment is being used to fund the international growth of the business. Celoxica is the Company's second debt investment and provides market data and trading solutions for financial services firms. The total ProVen VCTs' investment of £1.5 million will be used to fund further growth.

The Company also invested a further £584,000 in Skills Matter, Charterhouse Leisure and Senselogix and provided a small debt facility to Eagle-i Music following its spinout from Eagle Rock Entertainment Group.

The period since 31 August 2014 has seen the completion of a further two new investments: an investment of £2.6 million into Watchfinder, an online retailer of pre-owned luxury watches and an investment of £115,000 into Simplestream, a provider of livestreaming, catch-up TV and media management solutions for broadcast and media clients. In addition, the Company has committed £600,000 to InContext Solutions. InContext is a US based company which provides 3D virtual store research and simulation. This is the first VCT investment alongside our US managed funds which we view as part of both a growth and diversification strategy for the Company.

The Company has also seen activity in realisations. The disposal of the Company's investment in quoted company Pilat Media Global crystallised an overall return of 3.9 times the total investment. Eagle Rock Entertainment Group was sold to Universal Music Group, generating a modest initial profit, with the potential for further proceeds depending on performance. Further significant sales proceeds were also received in relation to the sale of Steak Media (£1.5 million), taking the total return to 5.6 times the initial investment cost, and Fjordnet (£377,000). A further £636,000 was received after the period end in respect of Espresso Group. Some of these proceeds were accrued at the end of the last financial year and so the current period profit effect is not the total proceeds received. There were also a number of loan repayments notably from Donatantonio Group and SPC International.

Other than the uplifts in value achieved on these investment disposals, there were no material valuation movements during the period. The portfolio continues to make good progress overall.

INVESTMENT MANAGER'S REPORT

CONTINUED

OUTLOOK

The continuing recovery in the UK economy has resulted in high levels of confidence among the owners of UK SMEs, which is encouraging them to seek investment to drive higher growth. This has resulted in a strong flow of investment opportunities for the Company and the significant level of investment activity in the period. We expect deal flow to remain strong in the second half of the year, although the rate of investment is not likely to be as high as the exceptional levels seen in the last few months.

Acquisition activity by large corporate buyers is also at a cyclically high level and we do not foresee any let up in the near future. Several of the companies in the Company's portfolio have recently been approached by corporate buyers. These approaches may lead to further disposals from the portfolio in the next few months, although there is no guarantee of this.

Overall, we are cautiously optimistic about the prospects for the investment portfolio.

Beringea LLP

21 October 2014

UNAUDITED BALANCE SHEET

AS AT 31 AUGUST 2014

	31 Aug 2014 £'000	31 Aug 2013 £'000	28 Feb 2014 £'000
Fixed assets			
Investments	35,303	24,610	26,906
Current assets			
Debtors	950	211	2,591
Cash at bank and in hand	25,066	22,404	27,174
	26,016	22,615	29,765
Creditors			
Amounts falling due within one year	(527)	(371)	(597)
Net current assets	25,489	22,244	29,168
Net assets	60,792	46,854	56,074
Capital and reserves			
Called up share capital	6,153	4,764	4,876
Capital redemption reserve	3,440	3,320	3,399
Share premium account	12,096	28,343	70
Share capital to be issued	543	–	5,550
Special reserve	29,433	2,041	30,398
Capital reserve – realised	5,115	3,825	6,940
Revaluation reserve	3,978	4,758	5,120
Revenue reserve	34	(197)	(279)
Equity shareholders' funds	60,792	46,854	56,074
Net asset value per share:	97.9p	98.4p	103.6p

UNAUDITED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 AUGUST 2014

	Six months ended 31 Aug 2014			Six months ended 31 Aug 2013			Year ended 28 Feb 2014
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	623	–	623	541	–	541	1,022
(Loss)/gain on investments	–	(84)	(84)	–	95	95	4,575
	623	(84)	539	541	95	636	5,597
Investment management fees	(161)	(482)	(643)	(123)	(368)	(491)	(977)
Performance incentive fees	–	–	–	–	–	–	(466)
Other expenses	(149)	(6)	(155)	(244)	(9)	(253)	(512)
Return/(loss) on ordinary activities before taxation	313	(572)	(259)	174	(282)	(108)	3,642
Tax on ordinary activities	–	–	–	–	–	–	–
Return/(loss) attributable to equity shareholders	313	(572)	(259)	174	(282)	(108)	3,642
Basic and diluted gain/(loss) per share	0.5p	(1.0p)	(0.5p)	0.4p	(0.6p)	(0.2p)	7.7p

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE SIX MONTHS ENDED 31 AUGUST 2014

	31 Aug 2014 £'000	31 Aug 2013 £'000	28 Feb 2014 £'000
Opening shareholders' funds	56,074	47,807	47,807
Proceeds from share issues	8,140	7,538	8,804
Share issue costs	(427)	(50)	(77)
Purchase of own shares	(391)	(5,357)	(5,489)
Movement in share capital to be issued	543	(597)	4,953
Total recognised (losses)/gains for the period	(259)	(108)	3,642
Dividends paid in the period	(2,888)	(2,379)	(3,566)
Closing shareholders' funds	60,792	46,854	56,074

UNAUDITED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 AUGUST 2014

	Note	Six months ended 31 Aug 2014 £'000	Six months ended 31 Aug 2013 £'000	Year ended 28 Feb 2014 £'000
Net cash inflow/(outflow) from operating activities	A	1,395	(116)	(587)
Capital expenditure				
Purchase of investments		(11,444)	(1,371)	(5,642)
Disposal of investments		2,964	7,959	12,001
Net cash (outflow)/inflow from capital expenditure		(8,480)	6,588	6,359
Equity distributions paid		(2,888)	(2,379)	(3,566)
Net cash (outflow)/inflow before financing		(9,973)	4,093	2,206
Financing				
Proceeds from share issue		8,140	7,538	8,804
Share issue costs		(427)	(50)	(77)
Purchase of own shares		(391)	(5,357)	(5,489)
Share capital to be issued		543	(597)	4,953
Net cash inflow from financing		7,865	1,534	8,191
(Decrease)/increase in cash	B	(2,108)	5,627	10,397
Notes to the cash flow statement:				
A Net cash flow from operating activities				
(Loss)/return on ordinary activities before taxation		(259)	(108)	3,642
Loss/(gains) on investments		84	(95)	(4,575)
Decrease in debtors		1,641	72	105
(Decrease)/increase in creditors		(71)	15	241
Net cash inflow/(outflow) from operating activities		1,395	(116)	(587)
B Analysis of net funds				
Beginning of period		27,174	16,777	16,777
Net cash (outflow)/inflow		(2,108)	5,627	10,397
End of period		25,066	22,404	27,174

SUMMARY OF INVESTMENT PORTFOLIO

AS AT 31 AUGUST 2014

	Cost £'000	Valuation £'000	Valuation movement in the period £'000	% of portfolio by value
Top ten venture capital investments (by value)				
Monica Vinader Limited	1,447	4,134	(17)	6.8%
Think Limited	1,606	2,989	17	5.0%
MEL TopCo Limited (t/a Maplin)	2,500	2,500	–	4.1%
Chargemaster plc	2,075	2,075	–	3.4%
Pulpitum Limited	2,100	2,045	(55)	3.4%
SPC International Limited	982	1,887	140	3.1%
Perfect Channel Limited	1,745	1,745	–	2.9%
Cognolink Limited	949	1,626	7	2.7%
MyOptique Group Limited	1,600	1,600	–	2.7%
Blis Media Limited	482	1,308	–	2.2%
	15,486	21,909	92	36.3%
Other venture capital investments	16,880	13,394	(600)	22.2%
	32,366	35,303	(508)	58.5%
Cash at bank and in hand		25,066		41.5%
Total		60,369		100.0%

Other venture capital investments at 31 August 2014 comprise: Donatantonio Group Limited, Cogora Group Limited, Speed-Trap Holdings Limited, Cross Solar PV Limited, Charterhouse Leisure Limited, Senseloxig Limited, Utility Exchange Online Limited, Chess Technologies Limited, MatsSoft Limited, APM Healthcare Limited, Inskin Media Limited, Cinergy International Limited, Dianomi Limited, Long Eaton Healthcare Limited, Skills Matter Limited, Disposable Cubicle Curtains Limited, Response Tap Limited, Big Data Partnership Limited, Steribottle Global Limited, Vigilant Applications Limited, Campden Wealth Limited, Peerius Limited, Eagle-i Music Limited, Celoxica Limited and 7digital Group plc (formerly UBC Media Group plc).

With the exclusion of 7digital Group plc which is quoted on AIM, all venture capital investments are unquoted.

SUMMARY OF INVESTMENT MOVEMENTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2014

ADDITIONS

	Cost £'000
MEL TopCo Limited (t/a Maplin)	2,500
Chargemaster Plc	2,075
Perfect Channel Limited	1,745
MyOptique Group Limited	1,600
Response Tap Limited	1,060
Celoxica Limited	750
Peerius Limited	600
Big Data Partnership Limited	530
Skills Matter Limited	317
Charterhouse Leisure Limited	175
Senselogix Limited	79
Eagle-i Music Limited	13
	11,444

SUMMARY OF INVESTMENT MOVEMENTS

CONTINUED

DISPOSALS

	Cost £'000	Market value at 1 March 2014* £'000	Disposal proceeds £'000	Gain against cost £'000	Realised gain in period £'000
Eagle Rock Entertainment Group Limited	1,224	1,169	1,327	103	158
Donatantonio Group Limited	219	285	285	66	–
Pilat Media Global plc	173	802	821	648	19
SPC International Limited	163	163	163	–	–
Peerius Limited	79	79	79	–	–
Sports Holding Limited	37	32	32	(5)	–
Celoxica Limited	10	10	10	–	–
Steak Media Limited**	–	–	137	137	137
Fjordnet Limited**	–	–	58	58	58
Espresso Group Limited**	–	–	52	52	52
	1,905	2,540	2,964	1,059	424

* Or cost, if acquired during the period under review.

** The Company received a total of £1.5 million and £377,000 in relation to Steak Media and Fjordnet during the period and £636,000 from Espresso Group after the period end. The disposal proceeds in the table reflect proceeds received during the period adjusted for the change in the contingent proceeds accrual over the period.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. The unaudited half-yearly results cover the six months to 31 August 2014 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 are in respect of the six months ended 31 August 2013 and the year ended 28 February 2014.
6. Return per share for the period has been calculated on the following:

	Ordinary Shares
Revenue return per share based on: Net revenue return after taxation (£'000)	313
Capital return per share based on: Net capital return after taxation (£'000)	(572)
Weighted average number of shares in issue	58,326,281

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

	Ordinary Shares
Net assets (£'000)	60,792
Number of shares in issue at period end	61,529,169

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

CONTINUED

8. DIVIDENDS

		Six months to 31 Aug 2014			Six months to 31 Aug 2013			Year ended 28 Feb 2014
	Pence	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
2014 Final	2.5	–	1,539	1,539	–	–	–	–
2014 Special Interim	2.5	–	1,349	1,349	–	–	–	–
2014 First Interim	2.5	–	–	–	–	–	–	1,188
2013 Interim	5.0	–	–	–	756	1,622	2,378	2,378

9. RESERVES

	Capital redemption reserve £'000	Share premium account £'000	Share capital to be issued £'000	Special reserve £'000	Capital reserve – realised £'000	Revaluation reserve £'000	Revenue reserve £'000
At 1 March 2014	3,399	70	5,550	30,398	6,940	5,120	(279)
Expenses capitalised	–	–	–	–	(489)	–	–
Share issue	–	12,373	(5,007)	–	–	–	–
Share issue costs	–	(347)	–	(80)	–	–	–
Purchase of own shares	41	–	–	(391)	–	–	–
Gains on investments	–	–	–	–	424	(508)	–
Retained revenue	–	–	–	–	–	–	313
Dividends paid	–	–	–	(2,888)	–	–	–
Transfer between reserves	–	–	–	2,394	(1,760)	(634)	–
At 31 August 2014	3,440	12,096	543	29,433	5,115	3,978	34

The Special reserve, Capital reserve-realised and Revenue reserve are all distributable reserves. The Revaluation reserve includes losses of £3,671,000 which are included in the calculation of distributable reserves. Total distributable reserves are £30,911,000.

10. CONTINGENT LIABILITIES, GUARANTEES AND FINANCIAL COMMITMENTS

The Company has no contingent liabilities, guarantees and financial commitments at 31 August 2014.

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 period. During the 6 months ended 31 August 2014, £643,000 was payable to Beringea LLP in respect of these services. At the period end the Company owed Beringea LLP £305,000.

Beringea LLP, acted as promoter for the Share offers during the period. The fees in the period amounted to £525,000 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.

12. 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 2014 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.
13. 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.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

CONTINUED

14. 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.

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.

15. 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.

- 16.** 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**.

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		Current valuation	Total return
				income tax relief	Dividends received		
Ordinary	1999/00	All dates	20%	80.0p	120.2p	49.0p	169.2p
Ordinary	2000/01	All dates	20%	80.0p	120.2p	49.0p	169.2p
Ordinary	2003/04	All dates	20%	80.0p	116.9p	51.6p	168.5p
Ordinary	2004/05	All dates	40%	60.0p	96.6p	45.3p	141.9p
Ordinary	2005/06	To 12/05/05	40%	60.0p	96.6p	45.3p	141.9p
Ordinary	2005/06	From 13/05/05	40%	60.0p	92.6p	43.4p	136.0p
Ordinary	2007/08	All dates	30%	70.0p	46.7p	54.1p	100.8p
Ordinary	2008/09	All dates	30%	70.0p	46.7p	54.1p	100.8p
Ordinary	2009/10	All dates	30%	70.0p	47.7p	87.3p	135.0p
Ordinary	2010/11	To 28/05/10	30%	70.0p	47.7p	87.3p	135.0p
Ordinary	2010/11	From 29/05/10	30%	70.0p	30.7p	80.2p	110.9p
Ordinary	2011/12	To 06/05/11	30%	70.0p	30.7p	80.2p	110.9p
Ordinary	2011/12	From 07/05/11	30%	70.0p	12.4p	96.9p	109.3p
Ordinary	2012/13	To 29/08/12	30%	70.0p	12.4p	96.9p	109.3p
Ordinary	2012/13	30/08/12	30%	70.0p	12.0p	93.8p	105.8p
Ordinary	2012/13	21/12/12	30%	70.0p	11.6p	91.0p	102.6p
Ordinary	2012/13	From 22/12/12	30%	70.0p	11.5p	90.1p	101.6p
	(non-advised)						
Ordinary	2012/13	From 22/12/12	30%	70.0p	11.9p	92.9p	104.8p
	(advised)						
Ordinary	2013/14	20/12/13	30%	70.0p	4.9p	96.5p	101.4p
Ordinary	2013/14	07/03/14	30%	70.0p	4.6p	90.6p	95.2p
Ordinary	2013/14	03/04/14	30%	70.0p	2.4p	92.9p	95.3p
Ordinary	2014/15	To 30/05/14	30%	70.0p	2.4p	92.9p	95.3p
Ordinary	2014/15	27/06/14	30%	70.0p	2.3p	91.5p	93.8p
C	All	All	30%	70.0p	16.3p	90.2p	106.5p
D	All	All	30%	70.0p	10.9p	85.4p	96.3p

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 23 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	PVN
Latest share price (20 October 2014):	92.25p 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.co.uk

Shareholders can also check details of their shareholdings using Capita Asset Services' website at **www.capitaassetservices.com**, by clicking on "Products and Services", "Shareholders", "UK companies and share plans" and then "Share Portal".

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 2009/2010 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").

SHAREHOLDER INFORMATION

CONTINUED

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
020 7886 2716 chris.lloyd@panmure.com

Paul Nolan
020 7886 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

Andrew Davison (Chairman)
Barry Dean
Malcolm Moss
Lorna Tibbian

INVESTMENT MANAGER

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

COMPANY SECRETARY AND ADMINISTRATION MANAGER

Grant Whitehouse
Downing LLP
Ergon House
Horseferry Road
London SW1P 2AL

REGISTERED OFFICE

39 Earlham Street
London WC2H 9LT
Registered No. 3911323

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



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