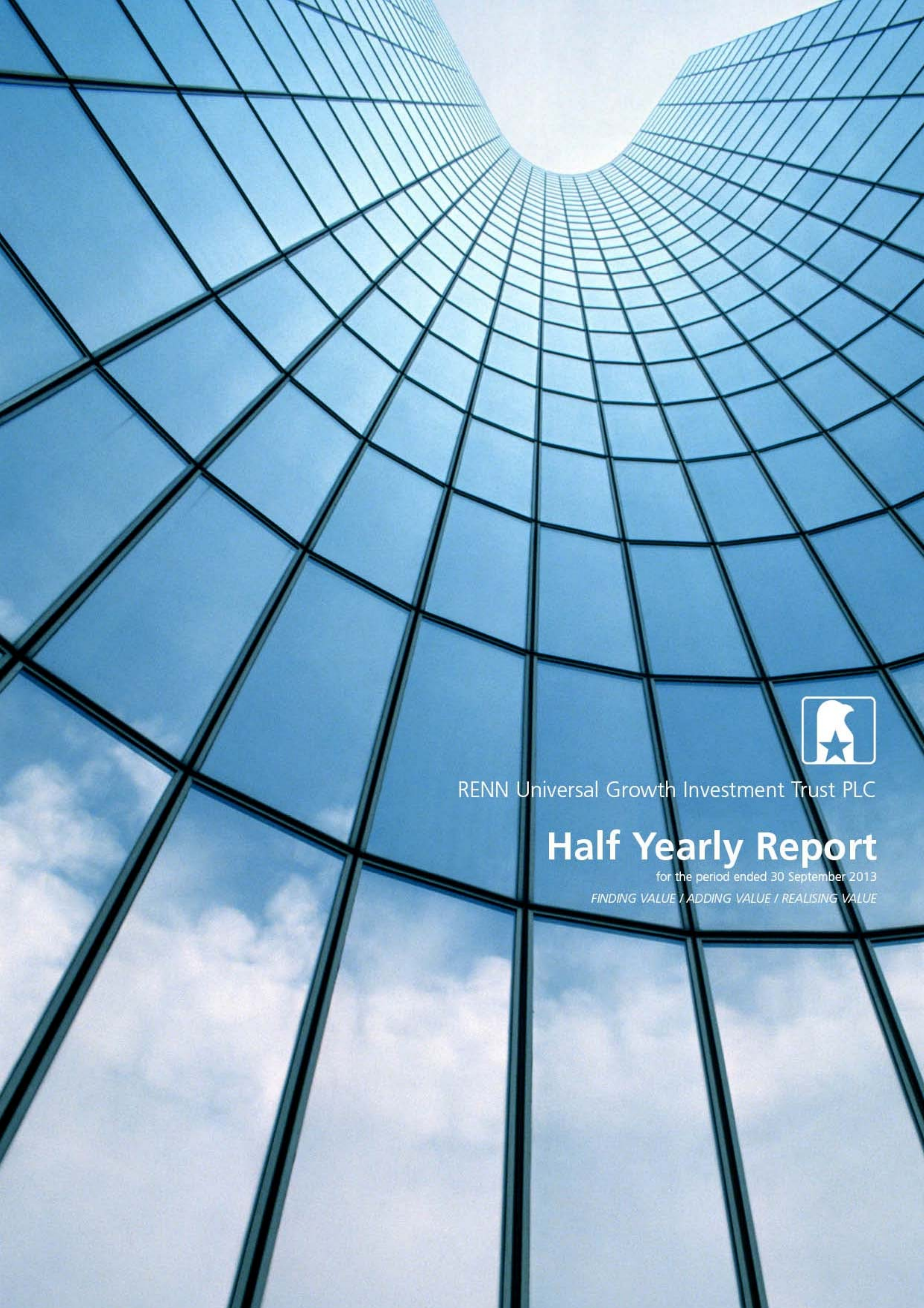

RENN Universal Growth Investment Trust PLC

Half Yearly Report

for the period ended 30 September 2013

FINDING VALUE / ADDING VALUE / REALISING VALUE

RENN UNIVERSAL GROWTH INVESTMENT TRUST PLC (the "Company")

HALF YEARLY REPORT
for the period ended 30 September 2013 (unaudited)

Investment objective

To conduct an orderly realisation of the assets of the Company, to be effected in a manner which seeks to achieve a balance between returning cash to shareholders promptly and maximising the value of the Company's portfolio.

Investment policy

The Company's investments will be realised in an orderly manner in accordance with the investment objective.

The Company may not make any new investments save that (a) subject to Board approval, further investment may be made into existing investments in order to preserve the value of such investments; and (b) realised cash may be invested in liquid cash-equivalent securities, denominated in Sterling, including short-dated corporate bonds, government bonds, cash funds or bank cash deposits pending return to shareholders in accordance with the Company's investment objective.

No more than 10% of the Company's total assets may be invested in any single cash equivalent instrument or placed on deposit with any single institution except that this limit does not apply to investment in government bonds, which shall be unconstrained.

The Company may not employ gearing.

The Company will continue to comply with the restrictions imposed by the Listing Rules in force from time to time.

SUMMARY OF RESULTS AND FINANCIAL HIGHLIGHTS

	30 September 2013	31 March 2013	**% change 31 March 2013 to 30 September 2013**	30 September 2012
Total net assets	**£54,214,000**	£57,252,000	**(5.31)**	£51,872,000
Net asset value ("NAV") per Ordinary share				
– pence	**310.90**	328.32	**(5.31)**	294.34
– US cents	**503.47**	498.54	**0.99**	475.31
Mid-market price per Ordinary share	**236.00p**	234.50p	**0.64**	227.50p
Discount to NAV	**24.09%**	28.58%	**4.49**	22.71%
Net revenue return after taxation	**£(627,000)**	£(1,145,000)	-	£(571,000)
Revenue return per Ordinary share	**(3.60)p**	(6.47)p	-	(3.19)p
Costs of running the company*				
- Investment Manager's fee	**£350,000**	£746,000	-	£384,000
- Other expenses	**£282,000**	£465,000	-	£243,000
- Performance fee	**-**	£(175,000)	-	£(175,000)
As a percentage of average net assets*				
- Investment Manager's fee	**0.62%**	1.38%	-	0.70%
- Other Expenses	**0.50%**	0.86%	-	0.44%
Exchange rate – US Dollar/Sterling	**1.61940**	1.51845	**6.65**	1.61480
S&P 500 Index (Total Return)	**3,000.18**	2,770.05	**8.31**	2,513.93
S&P 500 Index (Total Return) – Sterling adjusted	**1,853.91**	1,823.72	**1.66**	1,556.32
Russell 2000 Index (Total Return)	**4,982.85**	4,385.95	**13.61**	3,831.33
Russell 2000 Index (Total Return) – Sterling adjusted	**3,079.06**	2,887.58	**6.63**	2,371.90

* Calculated in accordance with the AIC recommended methodology for the calculation of 'Ongoing Charges' issued in May 2012.

LETTER FROM THE CHAIRMAN

Dear Shareholder,

Following the approval of the revised investment policy on 17 April this year, I want to update you on progress. As you will see from the Interim Management Report and the financial statements, a number of holdings have been sold completely or in part, and the cash balance at the end of the period under review was £7.2 million. This has grown to £11.6 million as at the date of this report. The Board is on course, as planned, to make a significant return of capital to shareholders in the first quarter of 2014.

Following this planned return of capital, the remaining portfolio will be inevitably concentrated in a small number of stocks, some with the ability to increase in value sharply. The Board is fully aware of the implications of this position and is taking advice on the processes required to avoid jeopardising investment trust status and the favourable tax treatment that comes with it.

There are two significant holdings in the portfolio which are not valued using market prices. The largest, AnchorFree, representing 31.5% of net assets currently, is being held at a price which reflects a transaction which took place 18 months ago. In the meantime, the company has made progress in its business and has grown revenues and subscribers substantially. The Board sees no reason to change the valuation of this holding at this point, but any change in the future could clearly have a very significant impact on net assets. Plures, on the other hand, has suffered a deterioration in its operating performance which has led the Directors to take a write-down of $3.6 million, equivalent to 12.74 pence per share of NAV, on 14 November 2013. While the Investment Manager remains optimistic about the company's technology, the operating environment is difficult and the Board and the Investment Manager are monitoring the situation closely.

During the six month period to the end of September 2013, Sterling rose quite sharply by 6.7%. As the process of realisation continues, proceeds are translated into Sterling as sales are made, but the underlying Dollar exposure in the remaining holdings is unhedged, in accordance with our stated policy.

The Board has taken advice on the use of buyback powers during the realisation process and concluded that they should be suspended for the time being to avoid the risk of the Company dealing while in possession of material non-public information on any of its listed holdings.

The Company's portfolio holds 11 positions as at the date of this report. We expect the Investment Manager to continue to make steady progress along the road to realisation, recognising that the underlying illiquidity in certain key investments will require time and patience in order to maximise returns to the shareholders.

Ernest Fenton

27 November 2013

INTERIM MANAGEMENT REPORT

Introduction

The establishment of the new investment policy and objective on 17 April 2013 shifted the focus of the Investment Manager towards the realisation of the portfolio by March 2015. Several positions have been sold, with the result that the cash balance increased from $6.3 million (£4.2 million) in March 2013 to $11.6 million (£7.2 million) at the end of September 2013. We expect to continue building the cash account over the following months in preparation for the first distribution, currently planned to take place in March 2014. Two companies, Hollysys Automation Technologies and Titan Machinery, have left the top ten holdings list, after both were sold in the open market. As a result, Skystar Bio-Pharmaceutical and Cantel Medical joined the top ten holdings during the interim period.

Top ten holdings as at 30 September 2013

AnchorFree, Inc. (Private): 31.5% of net assets, Primary Industry Group: Internet Software & Services. AnchorFree is the world's leading advertising-supported virtual private network (VPN). Over 150 million people have downloaded AnchorFree's HotSpot Shield to protect their identities. The company now has a platform for mobile devices of all kinds. Revenues come from advertising as well as from subscription services. In May 2012, Goldman Sachs invested $52 million in AnchorFree. The company continues to make progress through the addition of subscription revenue with new offerings for small and medium businesses. Nearly one out of three reported data breaches occurs in businesses with fewer than 100 employees. Hotspot Shield encrypts employees' internet communications and detects and blocks malware, protecting all internet communication and securing customer and employee data. More recently, AnchorFree has benefited from increased demand on the back of rising concerns about internet privacy. AnchorFree reports that on an average, in October 2013, 200,000 copies of HotSpot Shield for desktop computers and 45,000 copies of the mobile version were downloaded per day.

Cover-All Technologies (AMEX: COVR): 11.1% of net assets, Primary Industry Group: Application Software. Cover-All provides software solutions for insurance companies, agents and brokers. The company has a new suite of software products and recently announced a major contract with one of the largest insurance companies in the world. With its deep product line, we believe Cover-All could be an acquisition candidate. For the nine months ended 30 September 2013, total revenues were up 30% to $16 million as compared to the same period in 2012. Earnings before interest, taxes, depreciation and amortisation for the same period were $2.7 million compared to a loss of $190,000 in the comparable period of 2012. The company is experiencing significant momentum with eight new contracts won, and is projecting record revenues for the full year.

iSatori, Inc. (OTCBB: IFIT): 9.9% of net assets, Primary Industry Group: Personal Products. iSatori is a developer and marketer of scientifically engineered nutritional supplements focusing upon specific markets, including weight loss and sports nutrition. The company has launched a number of new products in recent months in both weight loss and nutritional supplements. This year, the company has entered the mass market through major retail outlets including Walgreens and Walmart, and is optimistic about the potential of these new customers. The company has a long-term sales target of $25 - $50 million compared to $10 million in 2012. For the nine months ended 30 September 2013, total revenues increased by 1.7% to $7.3 million. The net loss for the same period worsened to $785,000 from a loss of $358,000 in the comparable period in 2012.

Points International (NASDAQ: PCOM): 8.9% of net assets, Primary Industry Group: Internet Software & Services. Points International provides various e-commerce and technology services to loyalty programme operators in the United States, Europe and Canada. The company recently reported record third quarter results with revenues rising 59% on the year and net income up 53%. The company has provided 2013 guidance of revenues in the range of $200 million, or a projected increase of some 40%+ over 2012.

Flamel Technologies Ltd (NASDAQ: FLML): 6.0% of net assets, Primary Industry Group: Pharmaceuticals. Flamel Technologies engages in the development and commercialisation of controlled release therapeutic products. The company is transforming itself into a high margin specialty pharmaceutical company that could have revenues in the hundreds of millions. The company received an approval for Bloxiverz, the first FDA-approved version of neostigmine sulfate, a drug used to reverse neuromuscular blocking drugs in surgical procedures. For the three months ended 30 September 2013, revenues were up 3.4% to $5.6 million and the net loss decreased by 1% to $6.4 million.

Plures Technologies, Inc. (OTCBB: MANY): 5.3% of net assets, Primary Industry Group: Semiconductors. Plures engages in the development, engineering and manufacture of microelectromechanical systems. Thus far, all the company's revenues have been generated by its foundry business, but management is working on proprietary new products which could elevate the firm to the next level. For the twelve months ended 30 June 2013, the company recorded a loss of $6.9 million on revenue of $2.3 million. This compares unfavourably to the twelve months ended 30 June 2012, when the company recorded a loss of $2.9 million on revenue of $8.5 million. In April 2013, with the approval of the Directors, the Company invested new capital into Plures amounting to $2.1 million out of a total financing package of $5.2 million, with the goal of allowing the company time to finish the product development cycle and so secure its future. More recently, the company has continued to burn cash and so is seeking additional financing. As a result of the recent decline in the company's operational performance, the Board has taken a write-down of $3.6 million, equivalent to 12.74 pence per share of NAV, on 14 November 2013 which has been included in the half-yearly results to 30 September 2013. Your Investment Manager has a representative on the board of Plures and is monitoring this investment closely.

Bovie Medical Corporation (AMEX: BVX): 5.1% of net assets, Primary Industry Group: Healthcare Equipment. Bovie Medical engages in the development, manufacture and marketing of electrosurgical generators and disposables. The company continues to make progress on its revolutionary surgical system, J-Plasma. Your Investment Manager believes that this system could transform Bovie and make it an attractive candidate for major surgical companies. For the nine months ended 30 September 2013, sales totaled $17.5 million resulting in a loss of $1.9 million. For the comparable period in 2012, sales were $20.8 million resulting in a net income of $331,000. The third quarter of 2013 and nine month results were negatively impacted by an overall decline in OEM business, the costs of legal fees and continued investments in the marketing of J-Plasma, Bovie's innovative signature technology.

Skystar Bio-Pharmaceutical Company (NASDAQ: SKBI): 2.4% of net assets, Primary Industry Group: Pharmaceuticals. Skystar is a China-based developer and distributor of veterinary healthcare and medical care products. The company has four product lines (veterinary medicines, micro-organisms, vaccines and feed additives) and over 275 products. The company reported strong June 2013 results due to increased manufacturing capacity and increased market demand for its products. For the nine months ended 30 September 2013, revenues increased 28% to $32.9 million compared with the same period in 2012, whilst net income increased 29% to $8.2 million.

Cantel Medical Corporation (NYSE: CMN): 2.1% of net assets, Primary Industry Group: Healthcare Equipment. Cantel Medical is a leading provider of infection prevention and control products in the healthcare market. The company's products include water purification equipment, sterilants, disinfectants, cleaners and specialised medical devices. The company reported record net income for the fiscal year ended July 2013.

DXP Enterprises, Inc. (NASDAQ: DXPE): 1.9% of net assets, Primary Industry Group: Wholesale Industrial Equipment. DXP Enterprises engages in distributing maintenance, repair and operating products, equipment and services to industrial customers in the United States. DXP continues to make progress, which was most recently reflected in the earnings per share growth of 12.5% for the quarter ended June 2013, compared to the same period in the prior year.

Other Holdings

At the end of September 2013, your Company owned thirteen holdings, with the three holdings outside the top ten positions representing 2.5% of net assets. These three holdings are in oil and gas exploration (PetroHunter Energy Corporation), advertising (Tiger Media) and clothing and accessories (Charles & Colvard).

Conclusion

Your Investment Manager has made progress in realising value from the portfolio and is on target to return cash to shareholders in the first quarter of 2014. Since September 2013, your Investment Manager has sold the investments in Cantel Medical Corporation and DXP Enterprises in the open market, and has taken advantage of rising share prices to reduce its holdings in Skystar and Points International. As a result, your Company's cash balances currently total $18.8 million (£11.6 million).

While some holdings are sufficiently liquid to allow open market sales, others either are not or have other characteristics which will require a structural solution. The Investment Manager has experience in liquidating portfolios and is optimistic that the prospects for profitable realisation are good.

27 November 2013

Russell Cleveland
RENN Capital Group, Inc.

PRINCIPAL RISKS AND UNCERTAINTIES

Details of the following principal risks and uncertainties facing the Company are detailed in the Business Review section of the Company's Annual Report and Financial Statements for the year ended 31 March 2013:

Liquidity/marketability risk, interest rate risk, foreign currency risk, country risk, market price and discount volatility risk, risk associated with non-compliance with sections 1158/1159 of the Corporation Tax Act 2010, credit risk, risks associated with the engagement of third parties, risk associated with the continuation vote, valuation risk and concentration risk.

As the Company moves towards liquidation, the portfolio will concentrate and the balance of risks is expected to change, particularly with regards to the unlisted holdings.

There have been no changes to these risks since the publication of the 2013 Annual Report and Financial Statements.

RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:

(a) the condensed set of financial statements, prepared in accordance with applicable accounting standards in the United Kingdom, gives a true and fair view of the assets, liabilities, financial position and loss of the Company; and

(b) this Half Yearly Report includes a fair review of the information required by:

- 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

- 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 Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

This Half Yearly Report was approved by the Board of Directors on 27 November 2013 and the above responsibility statement was signed on its behalf by Ernest Fenton, Chairman.

INCOME STATEMENT (unaudited)
for the six months ended 30 September 2013

	Six months ended 30 September 2013 (unaudited)			Six months ended 30 September 2012 (unaudited)			Year ended 31 March 2013 (audited)		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Losses on investments at fair value through profit or loss	**-**	**(2,233)**	**(2,233)**	-	(7,022)	(7,022)	-	(913)	(913)
Exchange (losses)/gains on capital items	**-**	**(178)**	**(178)**	-	(234)	(234)	-	22	22
Income (see note 4)	**43**	**-**	**43**	128	-	128	231	-	231
Investment Management fee (see note 6)	**(350)**	**-**	**(350)**	(384)	-	(384)	(746)	-	(746)
Investment Management performance fee (see note 6)	**-**	**-**	**-**	-	175	175	-	175	175
Bad debt expense	**(38)**	**-**	**(38)**	(63)	-	(63)	(155)	-	(155)
Other expenses (see note 5)	**(282)**	**-**	**(282)**	(243)	-	(243)	(466)	-	(466)
Net return before finance costs and taxation	**(627)**	**(2,411)**	**(3,038)**	(562)	(7,081)	(7,643)	(1,136)	(716)	(1,852)
Finance costs	**-**	**-**	**-**	-	-	-	-	-	-
Net return before taxation	**(627)**	**(2,411)**	**(3,038)**	(562)	(7,081)	(7,643)	(1,136)	(716)	(1,852)
Taxation on ordinary activities (see note 9)	**-**	**-**	**-**	(9)	-	(9)	(9)	-	(9)
Net return on ordinary activities after taxation for the period	**(627)**	**(2,411)**	**(3,038)**	(571)	(7,081)	(7,652)	(1,145)	(716)	(1,861)
	pence	pence	pence	pence	pence	pence	pence	pence	pence
Return per Ordinary share (see note 2)	**(3.60)**	**(13.82)**	**(17.42)**	(3.19)	(39.53)	(42.72)	(6.47)	(4.04)	(10.51)

The Total Column of this statement is the profit and loss account of the Company. The supplementary revenue return and capital return columns have been prepared in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC"). Revenue and capital return per share figures shown are also supplementary information.

The accounts have been prepared using the accounting standards and policies adopted at the previous year end.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

There are no recognised gains and losses other than those reflected in the Income Statement for the period, accordingly no statement of recognised gains and losses has been prepared.

These accounts are unaudited and are not the Company's statutory accounts.

The notes form part of these accounts.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS (unaudited)
for the six months ended 30 September 2013

Six months ended 30 September 2013 (unaudited)	**Share capital** £'000	**Share premium account** £'000	**Capital redemption reserve** £'000	**Special reserve*** £'000	**Capital reserve** £'000	**Revenue reserve** £'000	**Total** £'000
At 1 April 2013	**4,359**	**5,995**	**972**	**2,698**	**50,159**	**(6,931)**	**57,252**
Net return after taxation for the financial period	**-**	**-**	**-**	**-**	**(2,411)**	**(627)**	**(3,038)**
At 30 September 2013	**4,359**	**5,995**	**972**	**2,698**	**47,748**	**(7,558)**	**54,214**

Year ended 31 March 2013 (audited)	**Share capital** £'000	**Share premium account** £'000	**Capital redemption reserve** £'000	**Special reserve*** £'000	**Capital reserve** £'000	**Revenue reserve** £'000	**Total** £'000
At 1 April 2012	4,506	5,995	825	4,008	50,875	(5,786)	60,423
Net return after taxation for the year	-	-	-	-	(716)	(1,145)	(1,861)
Cost of shares repurchased for cancellation	(147)	-	147	(1,310)	-	-	(1,310)
At 31 March 2013	4,359	5,995	972	2,698	50,159	(6,931)	57,252

Six months ended 30 September 2012 (unaudited)	**Share capital** £'000	**Share premium account** £'000	**Capital redemption reserve** £'000	**Special reserve*** £'000	**Capital reserve** £'000	**Revenue reserve** £'000	**Total** £'000
At 1 April 2012	4,506	5,995	825	4,008	50,875	(5,786)	60,423
Net return after taxation for the financial period	-	-	-	-	(7,081)	(571)	(7,652)
Cost of shares repurchased for cancellation	(100)	-	100	(899)	-	-	(899)
At 30 September 2012	4,406	5,995	925	3,109	43,794	(6,357)	51,872

* The special reserve was created in September 1998, following a transfer from the share premium account, to enable the Company to purchase its own shares.

The notes form part of these accounts.

BALANCE SHEET (unaudited)
as at 30 September 2013

	As at 30 September 2013 (unaudited) £'000	As at 31 March 2013 (audited) £'000	As at 30 September 2012 (unaudited) £'000
Fixed assets			
Investments at fair value through profit or loss	**47,024**	53,404	47,959
Current assets			
Debtors	**670**	473	374
Cash at bank	**7,171**	4,181	4,354
	7,841	4,654	4,728
Creditors – amounts falling due within one year			
Creditors and accruals	**(170)**	(363)	(464)
Net current assets	**7,671**	4,291	4,264
Provision for liabilities and charges			
Provision for bad debt*	**(481)**	(443)	(351)
Total net assets	**54,214**	57,252	51,872
Share capital and reserves			
Called-up share capital (see note 7)	**4,359**	4,359	4,406
Share premium account	**5,995**	5,995	5,995
Capital redemption reserve	**972**	972	925
Special reserve	**2,698**	2,698	3,109
Capital reserve	**47,748**	50,159	43,794
Revenue reserve	**(7,558)**	(6,931)	(6,357)
Equity shareholders' funds	**54,214**	57,252	51,872
Net asset value – pence per Ordinary share including current period revenue (see note 2)	**310.90p**	328.32p	294.34p

* a provision has been made for 100% of the interest owing on the Company's investment in PetroHunter 8.5% convertible debenture, on the grounds of uncertainty that the payment will be received (six months ended 30 September 2012: 100%; year ended 31 March 2013: 100%).

The notes form part of these accounts.

STATEMENT OF CASH FLOWS (unaudited)
for the six months ended 30 September 2013

	Six months ended 30 September 2013 (unaudited) £'000	Six months ended 30 September 2012 (unaudited) £'000	Year ended 31 March 2013 (audited) £'000
Operating activities			
Investment income received	**1**	61	63
Deposit interest received	**8**	3	7
Investment Management fees paid	**(487)**	(393)	(738)
Investment Management performance fee paid	**-**	(714)	(714)
Secretarial fees paid	**(42)**	(40)	(73)
Other cash payments	**(300)**	(226)	(378)
Net cash outflow from operating activities	**(820)**	(1,309)	(1,833)
Taxation			
Irrecoverable overseas tax	**-**	(9)	(9)
Total taxation paid	**-**	(9)	(9)
Capital expenditure and financial investment			
Purchases of investments	**(1,371)**	(5,544)	(7,316)
Sales of investments	**5,338**	11,440	13,881
Net cash inflow from capital expenditure and financial investment	**3,967**	5,896	6,565
Net cash inflow before financing	**3,147**	4,578	4,723
Financing			
Repurchase of Ordinary shares for cancellation	**-**	(741)	(1,310)
Net cash outflow from financing	**-**	(741)	(1,310)
Increase in cash	**3,147**	3,837	3,413

The notes form part of these accounts.

NOTES

for the six months ended 30 September 2013

1. Basis of preparation

This financial information has been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with the Accounting Standard Board's Statement on Half Yearly Financial Reports, applicable accounting standards in the United Kingdom and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the AIC in January 2009 and in accordance with the accounting policies set out in the statutory accounts for the year ended 31 March 2013. All of the Company's activities are continuing and the accounts are prepared on a going concern basis.

2. Return per Ordinary share

The calculations of return per Ordinary share are based on 17,437,979 Ordinary shares being the weighted average number of shares in issue during the six months ended at 30 September 2013 (six months ended 30 September 2012: 17,912,030; year ended 31 March 2013: 17,703,174).

3. Net asset value per Ordinary share

The calculations of net asset value per Ordinary share are based on 17,437,979 Ordinary shares being in issue at 30 September 2013 (30 September 2012: 17,622,916 Ordinary shares; 31 March 2013: 17,437,979 Ordinary shares).

4. Income

	Six months to 30 September 2013 (unaudited) £'000	Six months to 30 September 2012 (unaudited) £'000	Year to 31 March 2013 (audited) £'000
Income from US investments:			
Convertible debenture stocks – unlisted	**38**	63	161
Common stock – listed	**1**	61	63
Prior year income written-off – Plures Technologies	**(6)**	-	-
	33	124	224
Other income:			
Bank interest receivable	**10**	4	7
	43	128	231

5. Other expenses

	Six months to 30 September 2013 (unaudited) £'000	Six months to 30 September 2012 (unaudited) £'000	Year to 31 March 2013 (audited) £'000
Secretarial services	**43**	40	80
Auditor's remuneration	**19**	18	37
Directors' remuneration	**59**	59	117
Other expenses	**161**	126	232
	282	243	466

Total fees paid to the auditor for the period/year, all of which were charged to revenue, comprised:

Audit services – statutory audit – current year	**16**	15	32
Tax services	**3**	3	5
	19	18	37

6. Investment Management fee

The Investment Management fee is charged 100% to revenue. Investment management fees of £350,000 (six months ended 30 September 2012: £384,000; year ended 31 March 2013: £746,000) have been charged to the Income Statement. At 30 September 2013, £56,000 (six months ended 30 September 2012: £177,000; year ended 31 March 2013: £193,000) was due for payment to the Investment Manager in respect of investment management fees.

Following shareholder approval at the General Meeting on 17 April 2013, the terms of the Investment Management Agreement between the Company and the Investment Manager were amended in order to reflect the modification of the Company's investment objective and policy to better align the interests of the shareholders and the Investment Manager during the managed wind-down period. The Investment Manager is now paid a fixed monthly fee of $90,000.

A performance fee may also become payable at the end of each year and this is charged 100% to capital. Under the revised terms, the hurdle for the achievement of any performance fee will be a cash amount which must be returned to shareholders before a performance fee can be earned (the "Cash Hurdle"). The Cash Hurdle will be the audited NAV as at 31 March 2013 plus a notional accrual (the "Accrual"), which will reflect the time value of money between 17 April 2013 and actual returns of cash in excess of the Cash Hurdle. The Investment Manager will be entitled to 10% of any amounts returned to shareholders in excess of the Cash Hurdle (including the Accrual). The Company and the Investment Manager have agreed that the opening Cash Hurdle will be the audited NAV as at 31 March 2013, in Sterling terms, and the Accrual will be 8% per annum (compound) calculated on the opening Cash Hurdle. The total performance fee payable will be capped at an amount equivalent to 10% of the NAV as at 31 March 2013. No performance fee has been accrued for the six months ended 30 September 2013 (six months ended 30 September 2012: £nil; year ended 31 March 2013: £nil).

Prior to the payment of the performance fee of £889,000 for the year to 31 March 2012, a further review of the fee was performed and it was identified that the incorrect benchmark index had been used in the calculation process. This oversight was applicable to the financial year ended 31 March 2012 only. The recalculation of the performance fee resulted in it being revised to £714,000, a reduction of £175,000. This adjustment is reflected within the Income Statement. The fee of £714,000 was paid to the Investment Manager on 3 August 2012.

7. Called-up share capital

	30 September 2013 (unaudited) £'000	30 September 2012 (unaudited) £'000	31 March 2013 (audited) £'000
Allotted, called-up and fully paid: 17,437,979 (30 September 2012: 17,622,916; 31 March 2013: 17,437,979) Ordinary shares of 25p each	**4,359**	4,406	4,359

8. Share buybacks

During the period, no Ordinary Shares were repurchased by the Company for cancellation (six months ended 30 September 2012: 401,677 Ordinary shares; year ended 31 March 2013: 586,614 Ordinary shares). No Ordinary shares were repurchased to be held in Treasury for the six months ended 30 September 2013 (six months ended 30 September 2012: nil Ordinary shares; year ended 31 March 2013: nil Ordinary shares).

9. Taxation

The Company is subject to corporation tax at 23% (six months ended 30 September 2012: 24%; year ended 31 March 2013: 24%). However, the available tax deductible expenses (including substantial brought forward amounts) exceed the taxable income of the Company and, as a result, there is no UK tax charge (six months ended 30 September 2012: £nil; year ended 31 March 2013: £nil), other than withholding tax suffered on foreign dividends of £nil (30 September 2012: £9,000; year ended 31 March 2013: £9,000).

Due to the Company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval to retain that status in the foreseeable future, the Company has not provided deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

10. Reconciliation of net return before finance costs and taxation to net cash outflow from operating activities

	Six months ended 30 September 2013 (unaudited) £'000	Six months ended 30 September 2012 (unaudited) £'000	Year ended 31 March 2013 (audited) £'000
Net return before finance costs and taxation	**(3,038)**	(7,643)	(1,852)
Net capital return	**2,411**	7,081	716
Increase in provision for bad debt	**38**	63	155
Decrease in creditors and accruals	**(193)**	(748)	(691)
Increase in prepayments and accrued income	**(38)**	(62)	(161)
Net cash outflow from operating activities	**(820)**	(1,309)	(1,833)

11. Reconciliation of net cashflow to net funds

	Six months ended 30 September 2013 (unaudited) £'000	Six months ended 30 September 2012 (unaudited) £'000	Year ended 31 March 2013 (audited) £'000
Increase in cash in period/year	**3,147**	3,837	3,413
Effect of movement in exchange rates	**(157)**	(234)	17
Movement in net funds	**2,990**	3,603	3,430
Net funds at beginning of period/year	**4,181**	751	751
Net funds at end of period/year	**7,171**	4,354	4,181

12. Related party transactions

Mr Russell Cleveland, President and CEO of RENN Capital Group, Inc., the Company's Investment Manager, is considered a related party due to his directorship of AnchorFree, Inc., Cover-All Technologies, Inc. and iSatori, Inc. Mr Eric Stephens, Vice President of RENN Capital Group, Inc., is considered a related party due to his directorship of Plures Technologies, Inc. The amounts paid to the Investment Manager are disclosed in note 6.

RENN Capital Group, Inc. pays RP&C International an amount equal to 0.5% of the net asset value of the Company each year and 5% of any incentive fee received from the Company. The fees are compensation for management and advisory services rendered to RENN Capital Group, Inc.

13. Financial information

The financial information contained in this report does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006. The comparative financial information for the six months ended 30 September 2012 does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the six months ended 30 September 2013 and 30 September 2012 has not been audited or reviewed by the Company's auditors.

The information for the year ended 31 March 2013 has been extracted from the latest published audited accounts. Those accounts have been filed with the Registrar of Companies and include the report of the auditors which was unqualified and did not contain a statement under section 498(2) of the Companies Act 2006.

Following due consideration of the Company's financial position, its obligations and review of future forecasts, the Directors are of the opinion that it remains appropriate to presume that the Company will continue in business for the foreseeable future. Accordingly, they have continued to adopt the going concern basis in preparing this Half Yearly Report.

The Company is currently in a two-year process of realising its assets and will hold its next continuation vote in 2015.

INVESTMENT PORTFOLIO
as at 30 September 2013

	Sector	Book cost US$'000	Fair value US$'000	Fair value £'000	% of net assets
Corporate investments					
US unlisted convertible debentures					
PetroHunter Energy	Oil and gas exploration	2,100	211	130	0.2
Total US unlisted convertible debentures		**2,100**	**211**	**130**	**0.2**
US unlisted loan notes					
Plures Technologies	Semiconductors	3,759	1,880	1,161	2.1
Total US unlisted loan notes		**3,759**	**1,880**	**1,161**	**2.1**
US unlisted convertible preference shares					
AnchorFree	Wireless communications	2,162	27,613	17,052	31.5
iSatori	Personal products	75	3	2	-
Plures Technologies	Semiconductors	4,347	680	419	0.8
Total US unlisted convertible preference shares		**6,584**	**28,296**	**17,473**	**32.3**
US unlisted warrants					
iSatori	Personal products	-	-	-	-
PetroHunter Energy	Oil and gas exploration	-	-	-	-
Plures Technologies	Semiconductors	-	1,843	1,138	2.1
Total US unlisted warrants		**-**	**1,843**	**1,138**	**2.1**
US listed Canadian equities					
Points International	Internet software	2,156	7,857	4,852	8.9
Total US listed Canadian equities		**2,156**	**7,857**	**4,852**	**8.9**
US listed Chinese equities					
Skystar Bio-Pharmaceutical	Pharmaceuticals	1,367	2,060	1,272	2.4
Tiger Media	Advertising	2,422	640	395	0.7
Total US listed Chinese equities		**3,789**	**2,700**	**1,667**	**3.1**
US listed French equities					
Flamel Technologies	Pharmaceuticals	3,774	5,248	3,241	6.0
Total US listed French equities		**3,774**	**5,248**	**3,241**	**6.0**

US listed equities					
Bovie Medical Corporation	Healthcare services	3,767	4,512	2,786	5.1
Cantel Medical Corporation	Healthcare equipment	1,020	1,815	1,121	2.1
Charles & Colvard	Clothing and accessories	777	1,402	866	1.6
Cover-All Technologies	Information technology	5,051	9,762	6,028	11.1
DXP Enterprises	Trading companies & distributors	1,022	1,658	1,024	1.9
iSatori	Personal products	9,562	8,692	5,367	9.9
PetroHunter Energy	Oil and gas exploration	202	16	10	-
Plures Technologies	Semiconductors	3,037	259	160	0.3
Total US listed equities		**24,438**	**28,116**	**17,362**	**32.0**
Total corporate investments		**46,600**	**76,151**	**47,024**	**86.7**
Net current assets			**12,422**	**7,671**	**14.2**
Provision for liabilities			**(779)**	**(481)**	**(0.9)**
Total net assets			**87,794**	**54,214**	**100.0**

COMPANY INFORMATION

Directors
Ernest Fenton (Chairman, UK)
Andrew Barker (UK)
Steven Bates (UK)
Alexandra Mackesy (UK)
William Vanderfelt (Switzerland)

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Sources of further information
The Company's share price is listed in the Financial Times under "Investment Companies". Copies of the Company's annual and half yearly reports, stock exchange announcements and further information on corporate governance can be obtained from the Company's corporate website, as detailed above.

Key dates

March	Company year end
June	Annual results
July	Annual General Meeting
November	Half yearly results
January/July	Interim management statements

Frequency of NAV publication

The Company's NAV is released to the London Stock Exchange on a weekly basis and is published on the Company's website as detailed above.