

ProVen Planned Exit VCT plc

Half-Yearly Report

For the Six Months Ended 31 July 2014



Managed by
Beringea LLP

Investment Objectives

ProVen Planned Exit VCT plc aims to (a) provide investors with an attractive tax-free return to shareholders of at least 8.4% per annum over the life of the Company, on the net investment after initial tax relief of 70p per share, (b) pay dividends of 6p per share per annum, which may be distributed out of capital or income, and (c) have a lower risk profile than traditional VCTs, by investing in a portfolio of Qualifying investments, primarily being in UK unquoted companies with substantial assets or having reliable revenue streams from financially sound customers; and a portfolio of low-risk non-Qualifying Investments including cash deposits, money market funds, fixed interest securities and secured loans.

Financial Summary

Ordinary Shares	31 July 2014	31 July 2013	31 January 2014
Net asset value per share ("NAV")	76.6p	78.1p	77.2p
Dividends paid since launch	18.0p	12.0p	15.0p
Total return (NAV plus dividends paid since launch)	94.6p	90.1p	92.2p
Mid market share price	75.5p	82.0p	75.5p

'A' Shares	31 July 2014	31 July 2013	31 January 2014
Net asset value per share ("NAV")	0.1p	0.1p	0.1p
Dividends paid since launch	–	–	–
Total return (NAV plus dividends paid since launch)	0.1p	0.1p	0.1p
Mid market share price	0.1p	0.1p	0.1p

Dividend history for Ordinary Shares (since launch)

Ordinary Share dividends paid in the year/period	Pence per share
31 January 2012	3.0p
31 January 2013	6.0p
31 January 2014	6.0p
31 July 2014	3.0p
Cumulative dividends paid to date	18.0p
Proposed dividend (payable 19 November 2014)	6.0p

Chairman's Statement

Introduction

I have pleasure in presenting the half-year report for ProVen Planned Exit VCT plc (the "Company") for the period to 31 July 2014.

Portfolio activity and valuation

At 31 July 2014, the Company's unquoted investment portfolio comprised seven investments at a cost of £3.06 million and a valuation of £3.18 million. In addition, the Company held cash of £0.50 million. The investment portfolio valuation has remained unchanged since the beginning of the financial year with the exception of Cross Solar, which has been increased in value by £50,000, equivalent to 1.0p per Ordinary Share. Following the period end, the Company's loan notes in Blis Media were repaid at a premium leaving a small equity holding. Further detail is provided in the accompanying Investment Manager's Report.

Results

The profit on activities after taxation was £118,000, comprising a revenue gain of £85,000 and a capital gain of £33,000. The net asset value total return, comprising net asset value and dividends paid, was 94.6p per Ordinary Share (0.1p per 'A' Share), an increase of 3.1% over the period since 31 January 2014, after adjusting for the dividend of 3.0p per share paid on 18 June 2014.

Dividends

The Company paid a final dividend of 3.0p per Ordinary Share for the year ending 31 January 2014 on 18 June 2014. I am pleased to announce the payment of a further dividend of 6.0p per Ordinary Share, being an interim dividend for the year ending 31 January 2015. The increase, compared to last year, reflects the positive return generated by the Company and the repayment of the Blis Media loan notes. This dividend will be paid on 19 November 2014 to shareholders on the register as at 7 November 2014. No dividend will be payable on the 'A' Shares. This will take the total dividends paid since inception to 24.0p per Ordinary Share.

Share buybacks

No shares were purchased by the Company during the period. Shareholders who are considering selling their shareholding may wish to contact the Company's brokers, Panmure Gordon, prior to any sale. Contact details are provided on page 14 of this report. Shareholders are, however, reminded that a disposal of VCT shares within five years from allotment may result in the loss of the initial income tax relief given on subscription. Shareholders should consult their financial adviser if in any doubt about this.

Outlook

The period since the launch of your Company, in November 2010, has coincided with a period of extremely low interest rates, quantitative easing, generally rising stock markets and an economic recovery. Much energy continues to be expended by commentators on discussing whether, or how long, this will continue. The Investment Manager, with over 25 years of venture capital experience, is focussed on a disciplined investment process: working with the underlying portfolio companies with the aim of delivering stable returns to investors and a timely exit after the completion of the five year shareholding period.

The Board welcomes feedback and comments from all shareholders and can be contacted initially through the Investment Manager at 39 Earlham Street London WC2H 9LT or by telephone on 020 7845 7820.

Peter LR Hewitt

Chairman

26 September 2014

Investment Manager's Report

Introduction

We have pleasure in presenting our half-year investment report to 31 July 2014 for ProVen Planned Exit VCT plc (the "Company").

Portfolio performance and activity

At 31 July 2014, the Company's unquoted investment portfolio comprised seven investments at a cost of £3.06 million and a valuation of £3.18 million. In addition, the Company held cash of £0.50 million.

The Company met the qualifying targets required under the VCT regulations during the last financial year ended 31 January 2014 and has continued to meet them during the current financial year. No further investments have been made during the financial year which reflects both the intended fixed life of the Company and its relatively small size. Cross Solar PV was revalued to reflect continued good progress and additionally paid a dividend to the Company during the period; Long Eaton Healthcare is valued at a small uplift on cost. The other investments continue to be valued at their initial cost which we regard as a positive attribute and consistent with the lower risk investment strategy set out at the Company's launch.

Eagle-i Music's parent company, Eagle Rock Entertainment Group ("EREG"), was sold to Universal Music Group during the period and as a result Eagle-i Music is now a standalone company. Certain EREG shareholders reinvested some of their sale proceeds from the sale to provide additional capital. Good progress was made by other companies, notably Blis Media which has secured further funding and hired new personnel to develop its location-based marketing technologies and Cogora Group which has expanded both its activities and customer base.

In September, Blis Media refinanced the Company's loan notes through a new banking facility. As a result the Company has been repaid 90% of its original investment, as well as receiving interest income, but still shares in the potential further growth of Blis through its equity investment.

Clearly there will be challenges ahead for some of the investments but we are pleased with both the overall performance of the portfolio and its potential to generate tax free returns to investors.

Outlook

The investment portfolio continues to be managed both with a view to complying with the necessary VCT regulations and ultimately securing the investment exits necessary to generate returns to investors. The lower risk nature of the Company means that shareholders should not expect large uplifts in the value of portfolio companies; similarly the structuring of investments with loan notes with security which ranks ahead of most, if not all, of other instruments should provide downside protection in the event of both company specific or wider economic events.

Beringea LLP

26 September 2014

Summary of Investment Portfolio

as at 31 July 2014

	Cost £'000	Valuation £'000	Unrealised gain in the period £'000	% of portfolio by value
Venture capital investments				
Cross Solar PV Limited*	600	693	50	18.9%
Donatantonio Group Limited*	550	550	–	15.0%
SPC International Limited**	530	530	–	14.4%
Cogora Group Limited*	500	500	–	13.6%
Long Eaton Healthcare Limited*	400	435	–	11.8%
Blis Media Limited*	275	275	–	7.5%
Eagle-i Music Limited*	200	200	–	5.4%
Total venture capital investments	3,055	3,183	50	86.6%
Cash at bank and in hand		496		13.4%
Total investments		3,679		100.0%

All venture capital investments are unquoted unless otherwise stated.

* Cross Solar PV Limited, Donatantonio Group Limited, Cogora Group Limited, Long Eaton Healthcare Limited, Blis Media Limited and Eagle-i Music Limited are also held by ProVen VCT plc and ProVen Growth and Income VCT plc.

** SPC International Limited is also held by ProVen VCT plc.

Unaudited Balance Sheet

as at 31 July 2014

	31 July 2014 £'000	31 July 2013 £'000	31 January 2014 £'000
Fixed assets			
Investments	3,183	1,732	3,133
Current assets			
Debtors	68	22	27
Current investments	–	554	–
Cash at bank and in hand	496	1,519	622
	564	2,095	649
Creditors: amounts falling due within one year	(49)	(58)	(57)
Net current assets	515	2,037	592
Net assets	3,698	3,769	3,725
Capital and reserves			
Called up Ordinary Share capital	5	5	5
Called up 'A' Share capital	7	7	7
Special distributable reserve	3,822	3,966	3,822
Capital reserve – realised	(144)	(108)	(127)
Capital reserve – unrealised	127	32	77
Revenue reserve	(119)	(133)	(59)
Total equity shareholders' funds	3,698	3,769	3,725
Basic and diluted net asset value per share:			
Ordinary Share	76.6p	78.1p	77.2p
'A' Share	0.1p	0.1p	0.1p

Unaudited Income Statement

for the six months ended 31 July 2014

	Six months ended 31 July 2014			Six months ended 31 July 2013			Year ended 31 January 2014
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	137	50	187	45	38	83	254
Investment management fee	(6)	(17)	(23)	(8)	(24)	(32)	(56)
Other expenses	(46)	–	(46)	(39)	–	(39)	(86)
Return/(losses) on ordinary activities before taxation	85	33	118	(2)	14	12	112
Tax on ordinary activities	–	–	–	–	–	–	–
Return/(losses) attributable to equity shareholders	85	33	118	(2)	14	12	112
Basic and diluted return per share							
Ordinary Share	1.8p	0.7p	2.5p	(0.1p)	0.3p	0.2p	2.3p
'A' Share	–	–	–	–	–	–	–

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 July 2014

	31 July 2014 £'000	31 July 2013 £'000	31 January 2014 £'000
Opening shareholders' funds	3,725	3,902	3,902
Total recognised returns for the period/year	118	12	112
Dividends paid	(145)	(145)	(289)
Closing shareholders' funds	3,698	3,769	3,725

Unaudited Cash Flow Statement

for the six months ended 31 July 2014

	Note	Six months ended 31 July 2014 £'000	Six months ended 31 July 2013 £'000	Year ended 31 January 2014 £'000
Net cash inflows from operating activities	A	19	512	561
Capital expenditure				
Purchase of investments		–	(1,050)	(2,405)
Disposal of investments		–	555	554
Net cash outflow from capital expenditure		–	(495)	(1,851)
Equity dividends paid		(145)	(145)	(289)
Management of liquid resources				
Purchase of current investments held as liquidity funds		–	–	–
Withdrawal from liquidity funds		–	449	1,003
Net cash inflows from liquid resources		–	449	1,003
Net cash (outflows)/inflows before financing		(126)	321	(576)
Net cash inflow from financing		–	–	–
(Decrease)/increase in cash	B	(126)	321	(576)
Notes to the cash flow statement:				
A Net cash flow from operating activities				
Return on ordinary activities before taxation		118	12	112
Gain on investments		(50)	(37)	(82)
(Increase)/decrease in debtors		(41)	541	536
Decrease in creditors		(8)	(4)	(5)
Net cash inflows from operating activities		19	512	561
B Analysis of net funds				
Beginning of period/year		622	1,198	1,198
Net cash (outflows)/inflows		(126)	321	(576)
End of period/year		496	1,519	622

Notes to the Unaudited Financial Statements

- The unaudited half-yearly results cover the six months to 31 July 2014 and have been prepared in accordance with Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" revised January 2009 and in accordance with the accounting policies set out in the statutory accounts for the year ended 31 January 2014, which were prepared under UK Generally Accepted Accounting Practice.
- All revenue and capital items in the Income Statement derive from continuing operations.
- There are no recognised gains or losses other than those disclosed in the Income Statement.
- The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.
- The comparative figures were in respect of the year ended 31 January 2014 and the period ended 31 July 2013.
- Basic and diluted return per Ordinary Share for the period has been calculated on 4,818,237 shares, being the weighted average number of shares in issue during the period.
- Basic and diluted NAV per share for the period has been calculated on 4,818,237 Ordinary Shares and 7,227,352 'A' Shares, being the number of shares in issue at the period end.
- Dividends**

	Pence per share	31 July 2014 £'000	31 July 2013 £'000	31 January 2014 £'000
Paid in the period/year:				
2014 final dividend paid on 18 June 2014	3.0	145	–	–
2014 interim dividend paid on 20 November 2013	3.0	–	–	144
2013 final dividend paid on 24 July 2013	3.0	–	145	145
		145	145	289
Dividends proposed:				
2015 interim dividend payable on 19 November 2014	6.0	289	–	–

9. Reserves

	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
At 1 February 2014	3,822	(127)	77	(59)	3,713
Returns/(losses) for the period	–	(17)	50	85	118
Dividends paid in the period	–	–	–	(145)	(145)
At 31 July 2014	3,822	(144)	127	(119)	3,686

The special reserve, capital reserve – realised and revenue reserve are distributable reserves.

10. 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 31 January 2014 have been extracted from the financial statements for that period, which have been delivered to the Registrar of Companies; the Auditor's report on those financial statements was unqualified.
11. 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:
- 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
 - 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.

12. Risks and uncertainties

Under the Disclosure and Transparency Directive, the Board is required in the Company's half-yearly results, to report on the principal risks and uncertainties facing the Company over the remainder of the financial year.

The Board has concluded that the key risks facing the Company over the remainder of the financial year are as follows:

- investment risk associated with investing in small and immature businesses;

- (ii) investment risk arising from volatile stock market conditions and their potential effect on the value of the Company's venture capital investments and the exit opportunity for those investments; and
- (iii) failure to secure approval as a VCT.

In respect of (i) and (ii), 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 monitors them, and the opportunity for exit, closely after the initial investment.

In respect of (iii), the Company has been granted provisional approval as a venture capital trust. Full approval can, as with all VCTs, only be granted when all VCT rules have been met. This includes having at least 70% of the Company's investments in VCT qualifying investments, a target which the Company had originally until 31 January 2014 to achieve and which is required to be maintained on an ongoing basis. The Company's compliance with the VCT regulations is continually monitored by the Investment Manager, 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.

13. Going concern

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

The Board confirms that it is satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, the Board believes that the Company continues to be a going concern and that it is appropriate to apply the going concern basis in preparing the financial statements.

- 14. 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

Share price

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

TIDM/EPIC code	Ordinary Shares PPE	'A' Shares PPEA
Latest mid market share price (25 September 2014):	75.5p per share	0.1p per share

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

Dividends

Dividends are paid by the registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Queries relating to dividends and requests for mandate forms should therefore be directed to the Company's registrar, Computershare Investor Services plc, on 0870 707 1657 (calls charged at national rate), or by writing to them at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ.

Buying and selling shares

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

The Company currently operates a policy of buying its own shares for cancellation as they become available. The Company is, however, unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. If you are considering selling your shares or trading them in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ("Panmure").

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

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

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

Unsolicited calls to shareholders

We are aware of cases of shareholders in other VCTs having received unsolicited phone calls, e-mails or correspondence concerning investment matters. Please note that it is very unlikely that

the Company, Beringea, or the Company Registrar, Computershare Investor Services plc, 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. If you receive either an unexpected phone call or correspondence about which you have concerns, please contact the Company Secretary, Beringea LLP, on 020 7845 7820.

Notification of change of address

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's registrar, Computershare Investor Services plc, under the signature of the registered holder.

Websites

Latest financial information, including information on recent investment transactions, newsletters and electronic copies of Annual Reports, Half-Yearly Reports and Interim Management Statements can be found on the Investment Manager's website: www.provenvcts.co.uk. Shareholders can also check details of their shareholdings using Computershare Investor Services plc's website www.investorcentre.co.uk. Please note that to access this facility investors will need to quote the reference number shown on their share/dividend certificate.

Directors

Peter Hewitt (Chairman)
Robin Chamberlayne
Malcolm Moss

Secretary and Registered Office

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