

ProVen Planned Exit VCT plc

Half-Yearly Report

For the Six Months Ended 31 July 2012



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, 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 2012	31 January 2012
Net asset value per share ("NAV")	84.7p	88.7p
Dividends paid since launch	6.0p	3.0p
Total return (NAV plus dividends paid since launch)	90.7p	91.7p
Mid market share price	87.0p	97.0p

'A' Shares	31 July 2012	31 January 2012
Net asset value per share ("NAV")	0.1p	0.1p
Dividends paid since launch	–	–
Total return (NAV plus dividends paid since launch)	0.1p	0.1p
Mid market share price	0.1p	0.1p

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 2012.

Portfolio activity and valuation

At 31 July 2012, the Company's unquoted investment portfolio comprised three investments at a cost and valuation of £1.2 million. In addition, the Company held cash and liquidity funds of £2.9 million. The liquid funds balance represents the initial fundraising proceeds, net of income and expenditure, held whilst the Investment Manager assesses the merits of investment opportunities under consideration and to meet future dividends and Company expenses. The unquoted investments are at an early stage of their development but are broadly progressing to plan and are valued at their initial investment cost. Further detail is provided in the accompanying Investment Manager's Report.

Results

The loss on activities after taxation was £49,000, comprising a revenue loss of £28,000 and a capital loss of £21,000. The net asset value total return, comprising net asset value and dividends paid, was 90.7p per Ordinary Share and 0.1p per 'A' Share. At this stage in the Company's development, revenue and realisations from qualifying investments tends to be low and the tax efficiency of distributing regular dividends results in a corresponding fall in net asset value per share.

Dividends

In accordance with the terms of the Offer, the Directors intend that the Company pays two dividends per year of 3p each, subject to the availability of sufficient cash reserves and distributable reserves. Since its launch, the Company has paid two dividends of 3p per Ordinary Share on 21 December 2011 and 6 June 2012.

I am pleased to announce the payment of a further dividend of 3p per Ordinary Share, an interim dividend for the year ending 31 January 2013. This will be paid on 21 November 2012 to shareholders on the register as at 9 November 2012. No dividend will be payable on the 'A' Shares.

Share buybacks

The Directors intend that, in the five years following the first allotment of shares, the Company will operate a policy of buying back its own shares for cancellation at a zero discount to net asset value. It should be noted, however, that a disposal of VCT shares within five years from allotment may result in the loss of the initial income tax relief. Given the intended life of the Company, it is not intended that any shares will be bought back after the 5th anniversary of the first allotment of shares.

No shares were purchased by the Company during the period.

Investor presentation

The Investment Manager will be holding its annual VCT shareholder presentation on Monday 22 October 2012 at the Royal College of Surgeons, 35-43 Lincoln's Inn Fields, London WC2A 3PE. This event provides shareholders with the opportunity to meet the Investment Manager, Board directors and other shareholders, and to hear directly from some of the portfolio companies. Shareholders should have received an invitation with the Company's annual report but if you have not and would like to attend, then please contact the Investment Manager at 39 Earlham Street, London WC2H 9LT or by telephone on 020 7845 7820.

The Board also welcomes shareholder feedback and comments outside of formal events and meetings and can be contacted initially through the Investment Manager.

Peter LR Hewitt

Chairman

27 September 2012

Investment Manager's Report

Introduction

We have pleasure in presenting our half yearly report to 31 July 2012 for ProVen Planned Exit VCT plc. The broad economic backdrop has remained little changed for some time with funding for businesses remaining challenging.

Portfolio performance and activity

At 31 July 2012, the Company's unquoted investment portfolio comprised three holdings at a cost and valuation of £1.2 million. In addition, the Company held £2.9 million in cash and liquidity funds.

During the six months to 31 July 2012, the Company completed two new investments: a £600,000 investment in Cross Solar PV Limited and a £400,000 investment in Long Eaton Healthcare Limited ("LEH"). The Company's £250,000 loan investment in Campden Media Limited was repaid in full, in accordance with the original investment plan.

Cross Solar is a new solar installation company which is taking advantage of the Government backed feed-in-tariffs available on small scale solar installations. LEH provides pharmacy services in an existing health centre in Long Eaton, near Nottingham and is managed by APM Healthcare, in which other Beringea-managed VCTs have invested. APM Healthcare, through its subsidiary Community Pharmacies (UK) Limited, is establishing a number of niche pharmacies in conjunction with local GPs. These provide local operating freedom for GPs but with expert support and guidance from a centralised head office.

The Company's other unquoted investment, Eagle-i Music Limited, was established to own and collect royalties associated with publishing rights in the music entertainment industry. It is progressing to plan and has been valued at cost. The main investor and parent company, Eagle Rock Entertainment Group Limited, is a long established, Grammy Award winning company which has received over 30 Multi-Platinum, over 50 Platinum and over 90 Gold Discs, worldwide. Beringea-managed VCTs first invested in Eagle Rock in 2007 and the investment in Eagle-i Music was made alongside ProVen Growth and Income VCT plc.

Outlook

We have made good progress towards meeting the Company's investment targets under the VCT regulations. As an established VCT manager we see potential investment opportunities from range of advisers and intermediaries as well as being able to source opportunities through the existing portfolio of the other VCTs which we manage. The advantage of this dual approach has already been demonstrated with the investment portfolio. We look forward to identifying further attractive investment opportunities with the aim of ultimately delivering the targeted investment returns for shareholders.

Beringea LLP

27 September 2012

Summary of Investment Movements

for the six months ended 31 July 2012

Additions (at cost)

	£'000
Cross Solar PV Limited	600
Long Eaton Healthcare Limited	400
	1,000

Disposals

	Cost £'000	Market value at 1 February 2012 £'000	Disposal proceeds £'000	Gain/(loss) against cost £'000	Realised gain/ (loss) in period £'000
Campden Media Limited	250	250	250	–	–

Summary of Investment Portfolio

as at 31 July 2012

	Cost £'000	Valuation £'000	Unrealised gain/(loss) in the period £'000	% of portfolio by value
Top venture capital investments				
Cross Solar PV Limited*	600	600	–	14.6%
Long Eaton Healthcare Limited**	400	400	–	9.7%
Eagle-i Music Limited***	200	200	–	4.9%
	1,200	1,200	–	29.2%
Current asset investments – liquidity funds		1,002		24.4%
Cash at bank and in hand		1,905		46.4%
Total investments		4,107		100.0%

All venture capital investments are unquoted unless otherwise stated.

* Cross Solar PV Limited is also held by ProVen VCT plc and ProVen Growth and Income VCT plc.

** Long Eaton Healthcare Limited is also held by ProVen VCT plc, ProVen Growth and Income VCT plc and ProVen Health VCT plc.

*** Eagle-i Music Limited is also held by ProVen Growth and Income VCT plc. ProVen VCT plc and ProVen Growth and Income VCT plc also hold an investment in Eagle Rock Entertainment Group Limited which is a significant shareholder in Eagle-i Music Limited.

Unaudited Balance Sheet

as at 31 July 2012

	31 July 2012 £'000	31 January 2012 £'000
Fixed assets		
Investments	1,200	450
Current assets		
Debtors	20	10
Current investments	1,002	380
Cash at bank and in hand	1,905	3,523
	2,927	3,913
Creditors: amounts falling due within one year	(40)	(82)
Net current assets	2,887	3,831
Net assets	4,087	4,281
Capital and reserves		
Called up Ordinary Share capital	5	5
Called up 'A' Share capital	7	7
Share premium account	–	–
Special reserve	4,255	4,400
Capital reserve – realised	(67)	(46)
Revenue reserve	(113)	(85)
Total equity shareholders' funds	4,087	4,281
Basic and diluted net asset value per share		
Ordinary Share	84.7p	88.7p
'A' Share	0.1p	0.1p

Unaudited Income Statement

for the six months ended 31 July 2012

	Six months ended 31 July 2012			Period ended 31 July 2011			Period ended 31 January 2012
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	33	–	33	–	–	–	13
Investment management fee	(7)	(21)	(28)	(6)	(19)	(25)	(49)
Other expenses	(54)	–	(54)	(52)	–	(52)	(95)
Return on ordinary activities before taxation	(28)	(21)	(49)	(58)	(19)	(77)	(131)
Tax on ordinary activities	–	–	–	–	–	–	–
Return attributable to equity shareholders	(28)	(21)	(49)	(58)	(19)	(77)	(131)
Basic and diluted return per share							
Ordinary Share	(0.6p)	(0.4p)	(1.0p)	(1.3p)	(0.4p)	(1.7p)	(2.9p)
'A' Share	–	–	–	–	–	–	–

Reconciliation of Movements in Shareholders' Funds

	31 July 2012 £'000	31 January 2012 £'000
Opening shareholders' funds	4,281	–
Proceeds from share issues	–	4,714
Share issue costs	–	(157)
Total recognised return for the period	(49)	(131)
Dividends paid	(145)	(145)
Closing shareholders' funds	4,087	4,281

Unaudited Cash Flow Statement

for the six months ended 31 July 2012

	Note	Six months ended 31 July 2012 £'000	Period ended 31 January 2012 £'000
Net cash outflow from operating activities	A	(101)	(59)
Capital expenditure			
Purchase of investments		(1,000)	(450)
Disposal of investments		250	–
Net cash outflow from capital expenditure		(750)	(450)
Equity dividends paid		(145)	(145)
Management of liquid resources			
Purchase of current investments held as liquidity funds		(622)	(500)
Withdrawal from liquidity funds		–	120
Net cash outflow from liquid resources		(622)	(380)
Net cash outflow before financing		(1,618)	(1,034)
Financing			
Proceeds from Ordinary Share issue		–	4,707
Proceeds from 'A' Share issue		–	7
Proceeds from Preference Share issue		–	50
Redemption of Preference Shares		–	(50)
Share issue costs		–	(157)
Net cash inflow from financing		–	4,557
(Decrease)/Increase in cash	B	(1,618)	3,523
Notes to the cash flow statement:			
A Net cash flow from operating activities			
Return on ordinary activities before taxation		(49)	(131)
Increase in debtors		(10)	(10)
(Decrease)/increase in creditors		(42)	82
Net cash outflow from operating activities		(101)	(59)
B Analysis of net funds			
Beginning of period		3,523	–
Net cash (outflow)/inflow		(1,618)	3,523
End of period		1,905	3,523

Notes to the Unaudited Financial Statements

1. The unaudited half yearly results cover the six months to 31 July 2012 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 period ended 31 January 2012, which were prepared under UK Generally Accepted Accounting Practice.
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 were in respect of the period ended 31 January 2012 and the period ended 31 July 2011.
6. 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.
7. 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.
8. **Dividends**

	Pence per share	31 July 2012 £'000	31 January 2012 £'000
Paid in the period			
2012 final dividend paid on 6 June 2012	3.0	145	–
2012 interim dividend paid on 21 December 2011	3.0	–	145
		145	145

9. Reserves

	Share premium account £'000	Special reserve £'000	Capital reserve – realised £'000	Revenue reserve £'000	Total £'000
At 1 February 2012	–	4,400	(46)	(85)	4,269
Return for the period	–	–	(21)	(28)	(49)
Dividends paid in the period	–	(145)	–	–	(145)
At 31 July 2012	–	4,255	(67)	(113)	(4,075)

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 period ended 31 January 2012 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;
- 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;

(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 has until 31 January 2014 to achieve. 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 (26 September 2012):	87.0p 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. Any shareholder wishing to sell their shares should contact the Company Secretary, Beringea LLP, on 020 7845 7820.

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. Furthermore, please be assured that the Company limits access to its share register to the maximum extent permissible under the Companies Act 2006. If you receive either an unexpected phone call or correspondence about which you have concerns, please contact 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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