

ProVen Planned Exit VCT plc

Half-Yearly Report

For the Six Months Ended 31 July 2013



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 2013	31 July 2012	31 January 2013
Net asset value per share ("NAV")	78.1p	84.7p	80.8p
Dividends paid since launch	12.0p	6.0p	9.0p
Total return (NAV plus dividends paid since launch)	90.1p	90.7p	89.8p
Mid market share price	82.0p	87.0p	85.0p

'A' Shares	31 July 2013	31 July 2012	31 January 2013
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 July 2013	3.0p
Cumulative dividends paid to date	12.0p
Proposed dividend (payable 20 November 2013)	3.0p

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 2013.

Portfolio activity and valuation

At 31 July 2013, the Company's unquoted investment portfolio comprised four investments at a cost of £1.70 million and a valuation of £1.73 million. In addition, the Company held cash and liquidity funds of £2.07 million, a significant portion of which will be required in the coming few months to meet investment requirements. The unquoted investments are progressing satisfactorily and are valued in accordance with International Private Equity and Venture Capital Valuation Guidelines. All investments are valued at, or slightly above, cost. Further detail is provided in the accompanying Investment Manager's Report.

Results

The profit on activities after taxation was £12,000, comprising a revenue loss of £2,000 and a capital gain of £14,000. The net asset value total return, comprising net asset value and dividends paid, was 90.1p per Ordinary Share and 0.1p per 'A' Share. The low rate of return on cash and liquid funds has been mitigated by the income streams from the unquoted investments and the uplift in valuations.

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 a total of 12p per Ordinary Share by way of four dividends, each of 3p per Ordinary Share.

I am pleased to announce the payment of a further dividend of 3p per Ordinary Share, being an interim dividend for the year ending 31 January 2014. This will be paid on 20 November 2013 to shareholders on the register as at 8 November 2013. 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. 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.

I am pleased to advise that the Company has appointed Panmure Gordon to act as its corporate broker. The Board believes that this should bring a benefit in reducing the spread on the Company's shares and producing a more consistent pricing for any shareholders who wish to sell. Shareholders who are considering selling their shareholding may therefore wish to contact 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 and should therefore seek advice from their financial adviser before initiating any sale.

Outlook

The Investment Manager expects to complete further investments shortly and the Company is well positioned to meet its investment objectives over its anticipated life. Recent, positive economic news in the UK provides cautious optimism for both portfolio company earnings growth and potential exit opportunities in the medium term.

The Board would like to thank shareholders for their continued support and to remind them that it welcomes feedback and comments. The Board 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

27 September 2013

Investment Manager's Report

Introduction

We have pleasure in presenting our half year investment report to 31 July 2013 for ProVen Planned Exit VCT plc.

Portfolio performance and activity

At 31 July 2013, the Company's unquoted investment portfolio comprised four holdings at a cost of £1.70 million and a valuation of £1.73 million. In addition, the Company held £2.07 million in cash and liquidity funds.

During the six months to 31 July 2013, the Company completed two new investments totalling £1.05 million, in Fjordnet Limited and Campden Media Limited. Fjordnet was subsequently acquired by a subsidiary of US quoted Accenture resulting in the repayment of the investment and a small profit. These transactions were completed prior to the signing of the last annual report and mentioned in further detail therein.

During the period we have been targeting a number of new investments and we were pleased to complete an investment of £275,000 in Blis Media Limited ("Blis") on 22 August 2013. Blis specialises in mobile marketing and advertising and has developed proprietary location based technologies which can facilitate more accurate customer targeting. We have invested in Blis on behalf of two other VCTs and therefore have a high level of confidence, backed up by experience, in the company's management and their ability to develop the business. We are at an advanced stage with regards to two further investments.

The investment approach is, as set out in the original prospectus, focussed on making lower risk investments than traditional generalist VCTs with a greater portion of the portfolio return likely to be generated from income rather than capital gains. The individual investments are valued at, or slightly above, the investment cost.

Outlook

We remain on target to meet the necessary investment levels under the VCT regulations. Whilst the initial size of the fundraising means that the investment portfolio will be more concentrated than a larger VCT, we remain confident in the underlying investments and their ability to generate the target investment returns for shareholders.

Beringea LLP

27 September 2013

Summary of Investment Movements

for the six months ended 31 July 2013

Additions (at cost)

	£'000
Fjordnet Limited	550
Campden Media Limited	500
	1,050

Disposals

	Cost £'000	Market value at 1 February 2013 £'000	Disposal proceeds £'000	Gain against cost £'000	Realised gain in the period £'000
Fjordnet Limited*	550	–	555	5	5

*Fjordnet Limited was acquired and realised during the period.

Summary of Investment Portfolio

as at 31 July 2013

	Cost £'000	Valuation £'000	Unrealised gain in the period £'000	% of portfolio by value
Venture capital investments				
Cross Solar PV Limited*	600	600	–	15.8%
Campden Media Limited*	500	500	–	13.1%
Long Eaton Healthcare Limited*	400	428	28	11.2%
Eagle-i Music Limited**	200	204	4	5.4%
Total venture capital investments	1,700	1,732	32	45.5%
Current asset investments – liquidity funds		554		14.6%
Cash at bank and in hand		1,519		39.9%
Total investments		3,805		100.0%

All venture capital investments are unquoted unless otherwise stated.

* Cross Solar PV Limited, Campden Media Limited and Long Eaton Healthcare Limited are also held by ProVen VCT plc and ProVen Growth and Income 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 2013

	31 July 2013 £'000	31 July 2012 £'000	31 January 2013 £'000
Fixed assets			
Investments	1,732	1,200	1,200
Current assets			
Debtors	22	20	563
Current investments	554	1,002	1,003
Cash at bank and in hand	1,519	1,905	1,198
	2,095	2,927	2,764
Creditors: amounts falling due within one year	(58)	(40)	(62)
Net current assets	2,037	2,887	2,702
Net assets	3,769	4,087	3,902
Capital and reserves			
Called up Ordinary Share capital	5	5	5
Called up 'A' Share capital	7	7	7
Special reserve	3,966	4,255	4,111
Capital reserve – realised	(108)	(67)	(90)
Revaluation reserve	32	–	–
Revenue reserve	(133)	(113)	(131)
Total equity shareholders' funds	3,769	4,087	3,902
Basic and diluted net asset value per share			
Ordinary Share	78.1p	84.7p	80.8p
'A' Share	0.1p	0.1p	0.1p

Unaudited Income Statement

for the six months ended 31 July 2013

	Six months ended 31 July 2013			Six months ended 31 July 2012			Year ended 31 January 2013
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	45	38	83	33	–	33	66
Investment management fee	(8)	(24)	(32)	(7)	(21)	(28)	(59)
Other expenses	(39)	–	(39)	(54)	–	(54)	(97)
Return/(losses) on ordinary activities before taxation	(2)	14	12	(28)	(21)	(49)	(90)
Tax on ordinary activities	–	–	–	–	–	–	–
Return/(losses) attributable to equity shareholders	(2)	14	12	(28)	(21)	(49)	(90)
Basic and diluted return per share							
Ordinary Share	(0.1p)	0.3p	0.2p	(0.6p)	(0.4p)	(1.0p)	(1.9p)
'A' Share	–	–	–	–	–	–	–

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 July 2013

	31 July 2013 £'000	31 July 2012 £'000	31 January 2013 £'000
Opening shareholders' funds	3,902	4,281	4,281
Total recognised returns/(losses) for the period/year	12	(49)	(90)
Dividends paid	(145)	(145)	(289)
Closing shareholders' funds	3,769	4,087	3,902

Unaudited Cash Flow Statement

for the six months ended 31 July 2013

	Note	Six months ended 31 July 2013 £'000	Six months ended 31 July 2012 £'000	Year ended 31 January 2013 £'000
Net cash inflow/(outflow) from operating activities	A	512	(101)	(663)
Capital expenditure				
Purchase of investments		(1,050)	(1,000)	(1,000)
Disposal of investments		555	250	250
Net cash outflow from capital expenditure		(495)	(750)	(750)
Equity dividends paid		(145)	(145)	(289)
Management of liquid resources				
Purchase of current investments held as liquidity funds		–	(622)	(623)
Withdrawal from liquidity funds		449	–	–
Net cash inflow/(outflow) from liquid resources		449	(622)	(623)
Net cash inflow/(outflow) before financing		321	(1,618)	(2,325)
Net cash inflow from financing		–	–	–
Increase/(decrease) in cash	B	321	(1,618)	(2,325)
Notes to the cash flow statement:				
A Net cash flow from operating activities				
Return on ordinary activities before taxation		12	(49)	(90)
Gain on investments		(37)	–	–
Decrease/(increase) in debtors		541	(10)	(553)
Decrease in creditors		(4)	(42)	(20)
Net cash inflow/(outflow) from operating activities		512	(101)	(663)
B Analysis of net funds				
Beginning of period /year		1,198	3,523	3,523
Net cash inflow/(outflow)		321	(1,618)	(2,325)
End of period/year		1,519	1,905	1,198

Notes to the Unaudited Financial Statements

- The unaudited half-yearly results cover the six months to 31 July 2013 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 2013, 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 2013 and the period ended 31 July 2012.
- 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 2013 £'000	31 July 2012 £'000	31 January 2013 £'000
Paid in the period/year:				
2013 final dividend paid on 24 July 2013	3.0	145	–	–
2013 interim dividend paid on 21 November 2012	3.0	–	–	144
2012 final dividend paid on 6 June 2012	3.0	–	145	145
		145	145	289
Dividends proposed:				
2014 interim dividend payable on 20 November 2013	3.0	145	–	–

9. Reserves

	Special reserve £'000	Capital reserve – realised £'000	Revaluation reserve £'000	Revenue reserve £'000	Total £'000
At 1 February 2013	4,111	(90)	–	(131)	3,890
Return for the period	–	(18)	32	(2)	12
Dividends paid in the period	(145)	–	–	–	(145)
At 31 July 2013	3,966	(108)	32	(133)	3,757

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 2013 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 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:

	Ordinary Shares	'A' Shares
TIDM/EPIC code	PPE	PPEA
Latest mid market share price (26 September 2013):	78.0p 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. 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. Panmure 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. 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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Corporate Broker

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