

ProVen Planned Exit VCT plc

Report and Accounts for the period ended 31 January 2012



Managed by
Beringea LLP



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Fund Overview

Financial summary

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

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

Dividend history for Ordinary Shares (since launch)

Period end	pence per share
31 January 2012	3.0
Cumulative dividends paid to date	3.0
Proposed dividend (payable 6 June 2012)	3.0

Chairman's Statement

Introduction

I have pleasure in presenting the first annual report for ProVen Planned Exit VCT plc ("the Company") to shareholders. The report actually covers the period from the Company's launch on 2 August 2010 to 31 January 2012, although the Company first issued new shares to shareholders on 28 March 2011.

The period under review has been one of considerable uncertainty in the financial markets and the economy as a whole and so the Company's funds have been kept predominantly in high quality cash deposits and money market funds, consistent with our objective of being a lower risk VCT. The Investment Manager has reviewed a significant number of potential transactions during the period but has been very selective in which ones it has invested. At the period end two investments had been made and a further £1 million was invested in two qualifying investments subsequent to the period end.

Original share offer

The Company launched an offer for subscription ("the Offer") on 2 November 2010. The Offer closed on 16 September 2011 having raised gross funds from investors of £4.7 million. The Company issued a total of 4,818,235 Ordinary Shares and 7,227,352 'A' Shares under the Offer which produced net proceeds, after issue costs, of £4.6 million.

Shareholders who subscribed under the Offer were issued equal numbers of Ordinary and 'A' shares. In accordance with terms of the Offer, the Investment Manager was allotted 2.4 million 'A' Shares. The 'A' Shares are expected to have a net asset value of 0.1p per share for the initial years of the Company's life and this will only change if, and when, a certain level of return has been made to the Ordinary Shareholders. This is documented further in Note 13 to the Accounts.

Results

The loss on activities after taxation was £131,000, comprising a revenue loss of £85,000 and a capital loss of £46,000. The net asset value total return, comprising net asset value and dividends paid, was 91.7p per Ordinary Share and 0.1p per 'A' 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.

The Company paid an interim dividend for the period ended 31 January 2012 of 3p per Ordinary Share on 21 December 2011 to Ordinary Shareholders on the register as at 9 December 2011.

The Company is proposing a final dividend for the period ended 31 January 2012 of 3p per Ordinary Share which will be subject to approval by Shareholders at the Annual General Meeting of the Company on 30 May 2012. The dividend will, subject to this approval be paid on 6 June 2012 to Ordinary Shareholders on the register as at 25 May 2012.

Portfolio activity and valuation

At 31 January 2012, the Company's venture capital investment portfolio comprised two venture capital investments at a cost and valuation of £450,000. In addition, the Company held cash and liquidity funds of £3.9 million. Subsequent to the period end, the Company has completed two new VCT qualifying investments totalling £1 million.

Further detail on our portfolio activity is provided in the Investment Manager's Review on page 7.

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.

Cancellation of share premium account

On 19 October 2011, the Company cancelled its share premium account created on the issue of shares and created a special distributable reserve. This special reserve can be used by the Company for the cancellation of its shares, and other corporate purposes including the payment of dividends.

Annual general meeting

The first AGM of the Company will be held at 39 Earlham Street, London WC2H 9LT at 9.30 am on 30 May 2012. Notice of the Meeting is at the end of this Annual Report. Resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions. Further details of the resolutions are provided in the Report of the Directors on page 12.

I would also like to take this opportunity to draw your attention to the Investment Manager's annual shareholder presentation which, as last year, is expected to be held in central London in November. This event provides shareholders with an opportunity to meet the Investment Manager and, additionally, to hear directly from some of the portfolio companies and to meet other VCT shareholders. Further details of the event will be communicated to shareholders in the autumn. The Board welcomes the opportunity to meet shareholders at this event, outside of the more formal business of the AGM, and I would encourage you to attend if at all possible.

The Board is always pleased to hear comments from shareholders outside of the AGM and shareholder event and can be contacted through the Company's registered office at 39 Earlham Street, London WC2H 9LT.

Outlook

The Company was established last year against a backdrop of economic uncertainty and turmoil with a view to seeking out lower risk opportunities that had, prior to the financial crisis, been funded by more traditional lenders. I am pleased to report that the flow of suitable investment opportunities to the Investment Manager has accelerated and your board is optimistic that further opportunities will continue to be forthcoming as a result of the banks and traditional lenders continuing to deleverage their balance sheets.

Whilst it is still early in the cycle, the Board remains optimistic about the prospects for the Company.

Peter L R Hewitt

Chairman

27 April 2012

Investment Manager's Review

Introduction

We have pleasure in presenting our report for ProVen Planned Exit VCT plc ("the Company" or "PPE") for the period through to 31 January 2012.

Beringea LLP is a specialist venture capital management company which traces its origins back over 25 years. It currently manages over £90 million of VCT funds through four VCTs and has managed VCTs since their inception in 1996. This experience, together with the current economic environment, creates interesting and potentially larger investment opportunities which may not be available to a smaller standalone VCT.

Against a backdrop of challenging economic and investment conditions, the Company made two investments totalling £450,000 in non-qualifying venture capital companies during the period ended 31 January 2012. Subsequent to the period end, the Company has completed two new VCT qualifying investments totalling £1 million.

Investment activity and portfolio valuation

At 31 January 2012, the Company's venture capital investment portfolio comprised two non-VCT qualifying investments with a cost and valuation of £450,000. In addition, the Company held cash and liquidity funds of £3.9 million.

In December 2011, the Company provided a working capital facility of £250,000 to Campden Media, a magazine publisher and event organiser. The Beringea managed VCTs first invested in Campden Media in 2006 through ProVen VCT and ProVen Growth and Income VCT and we therefore have over six years experience of working with the management of the company. The £250,000 loan was repaid in March 2012 but a further facility is currently under consideration. The loan facility provided an attractive yield relative to the interest rates available on cash alternatives.

In January 2012, the Company provided funding of £200,000 in the form of £33,000 of equity shares and £167,000 of loan notes to Eagle-i Music Limited, a subsidiary of Eagle Rock Entertainment Group Limited, as part of a total funding round of £1 million by the Company and ProVen Growth and Income VCT plc. Eagle Rock is a leading independent producer, publisher and distributor of music programming. The Beringea managed VCTs first invested in Eagle Rock in April 2007 and have now invested a total of £3 million in the Group including the recent investment. The latest investment provides funding for a new publishing division, dedicated to owning and collecting royalties associated with publishing rights in the music entertainment industry. The investment has been structured to provide an attractive yield, security against the assets of the Company and a redemption premium on the loan that covers the equity investment.

Whilst these investments are modest, they demonstrate the attractiveness of the Company of being part of a stable of other VCTs. The Company has gained exposure to businesses which are well known to us and about which we are very knowledgeable through our investment experience.

Post period end portfolio activity

In February 2012, the Company completed a VCT qualifying investment of £600,000 through a combination of equity and loan notes into Cross Solar Limited. This is a new solar installation company which takes advantage of the Government backed feed-in-tariffs available on small scale solar installations. These provide guaranteed income for 25 years, providing an element of income security for the company and its investors.

In April 2012, the Company made a VCT qualifying investment of £400,000 through a combination of equity and loan notes into Long Eaton Healthcare Limited (“LEH”) which will provide pharmacy services in an existing health centre in Long Eaton, near Nottingham. The pharmacy will be managed by APM Healthcare, trading as Community Pharmacies (“CP”), an existing investment of the Beringea managed VCTs. CP is set to revolutionise convenience pharmacy, operating at the heart of primary care in partnership with GP practices. It encourages operating freedom for local pharmacies to meet customer needs whilst providing strong head office support and expertise. CP has already established 5 pharmacies and has a number of developments in the pipeline. The LEH investment provides PPE with an attractive yield on the loan and is secured over LEH’s assets.

Outlook

In the period to the date of this review, we have made good progress towards our goal of meeting the investment targets under the VCT legislation. The Company has until 31 January 2014 to invest, broadly, 70% of the funds raised from the initial fundraising after adjusting for net expenses and distributions. The reluctance of banks to provide lending to businesses is providing opportunities for alternative funders such as VCTs. In addition, the existing portfolios of the Beringea managed VCTs have provided attractive opportunities which would not be available to other VCTs. We will continue to be selective about the opportunities in which we invest with the aim of building up an attractive and robust portfolio to deliver the targeted returns to investors.

Beringea LLP

27 April 2012

Investment Portfolio

as at 31 January 2012

The following investments were held at 31 January 2012:

	Cost £'000	Valuation £'000	Valuation movement in period £'000	% of portfolio by value
Venture capital investments				
Campden Media Limited*	250	250	–	5.7%
Eagle-i Music Limited**	200	200	–	4.6%
	450	450	–	10.3%
Other venture capital investments	–	–	–	0.0%
Total venture capital investments	450	450	–	10.3%
HSBC liquidity fund		380		8.8%
Cash at bank and in hand		3,523		80.9%
Total investments		4,353		100.0%

All venture capital investments are unquoted unless otherwise stated.

*Campden Media Limited is 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.

The relationship between the VCTs managed by Beringea is covered by a co-investment agreement.

All venture capital investments held at the period end are registered in England and Wales.

Review of Investments

as at 31 January 2012

Campden Media Limited

Campden Media is a magazine publisher and event organiser in the healthcare and private wealth management sectors. The company publishes a range of titles many of which are endorsed by the relevant professional bodies. The business has a strong and proven management team and operates in sectors which are regarded as more resilient to adverse macro-economic movements.



www.campdenmedia.com

Cost:		£250,000	Valuation method*:	Price of recent investment
Investment comprises:			Valuation at 31/01/12:	£250,000
Loan stock:		£250,000	Valuation at 31/01/11:	n/a
Audited accounts:	31/12/10	31/12/09	Dividend income:	n/a
Turnover:	£6.8m	£5.6m	Loan stock income:	£3,222
Loss before tax:	£(0.1)m	£(0.7)m	Proportion of equity held:	n/a
Net assets:	£(1.3)m	£(1.2)m	Diluted equity:	n/a

Eagle-i Music Limited

Eagle-i Music Limited is the music publishing arm of Eagle Rock Entertainment Group Limited which is a leading independent producer, publisher and distributor of music programming for broadcast, digital, and Blu-Ray/DVD distribution, comprising live concerts and documentaries. Publishing remains one of the most lucrative and valuable areas within the music industry, in part due to lower reliance on physical goods sales for revenues.



www.eagle-imusic.com

Cost:		£200,000	Valuation method*:	Price of recent investment
Investment comprises:			Valuation at 31/01/12:	£200,000
Preferred ord shares:		£33,273	Valuation at 31/01/11:	n/a
Loan stock:		£166,727		
Audited accounts:	No accounts filed		Dividend income:	£nil
Turnover:			Loan stock income:	£nil
Loss before tax:			Proportion of equity held:	3.16%
Net assets:			Diluted equity:	3.00%

Notes:

The proportion of equity held by each investment also represents the level of voting rights held by the Company in respect of the investment. Portfolio company financial information is based on publicly available information filed at Companies House in the UK (or equivalent locations in overseas jurisdictions). Certain information may not be required to be filed, dependent, for example, on the company's size, and, in the interests of portfolio company confidentiality, is not disclosed here.

*VCT investments are measured at fair value. The initial best estimate of fair value of these investments that are not quoted in an active market is the transaction price (i.e. cost). The fair value of these investments is subsequently measured by reference to the enterprise value of the investee company, which is determined to best reflect fair value. When the board considers the investee company's enterprise value to remain unchanged since acquisition, investments continue to be held at cost less any loan repayments received.

Directors

Peter Hewitt FCSI, FRSA has enjoyed a varied and successful career over the last 35 years in property, company direction and corporate finance. He has been Chairman or Director of some 9 public companies, chairing 6 of these including 7 years as Chairman and CEO of a construction and fit out company which he founded and floated on AIM, exiting in 2004. Subsequently, he established and sold two FSA authorised private client stock broking businesses and was for 13 years a non-executive director of a £150m Close Brothers Fund. Peter is currently a Non-Executive Director of Puma VII VCT PLC; a director of Provident & Regional Estates Ltd, a company that originates and brokers alternative financial products; a member of the Project Merlin Business Finance Roundtable and an Advisor to SRI Capital Advisers and the Big Issue Invest. Peter is a Chartered Fellow of the Chartered Securities Institute and has recently been elected as Alderman for the ward of Aldgate in the City of London.

Robin Chamberlayne is a Chartered Financial Planner with extensive knowledge of Venture Capital Trusts gained through his role as a partner in Progressive Strategic Solutions LLP, an investment advisory firm specialising in tax based financial solutions, the forerunner to which he founded in 1997. He has a particular interest in renewable energy and is a partner in Renewable Energy Funding LLP which develops funding strategies for renewable energy projects. Robin is also a Director of Downing Structured Products VCT plc and Downing Planned Exit VCT plc.

Malcolm Moss is a Senior Managing Director and founder of Beringea LLP. Over the last 20 years he has been responsible for the growth, development and management of the private equity business of Beringea in both the UK and the USA. In addition to sitting on the boards of ProVen VCT plc and ProVen Growth & Income VCT plc, he sits on the investment committees of Beringea's three other venture capital funds and as a non-executive director on several other portfolio investments. Prior to founding Beringea, Malcolm gained Europe-wide industrial, planning and analytical experience in healthcare, engineering and financial services with, respectively, Baxter International, Uniroyal Inc. and Lloyds TSB Group. Malcolm has a BA and an MBA.

All the directors are non-executive and, with the exception of Malcolm Moss, are considered to be independent of the Investment Manager and the Board considers that each of them has suitable experience to be able to exercise proper judgement.

Report of the Directors

The Directors submit to the members their Annual Report and Financial Statements for the period ended 31 January 2012. The Report of the Directors includes the Fund Overview, Chairman's Statement, Investment Manager's Review, Directors, the Report of the Directors itself, Corporate Governance Statement and the Directors' Remuneration Report.

Principal activity and status

The Directors initially obtained provisional approval for the Company to act as a Venture Capital Trust from HM Revenue & Customs at formation. The Directors consider that the Company has conducted its affairs in a manner to enable it to continue to comply with s274 of the Income Tax Act 2007. The principal activity of the company is to invest in a diversified portfolio of smaller companies in order to generate capital growth and an investment income stream.

Business review and developments

The Company's business review and developments during the period are reviewed in the Chairman's Statement and the Investment Manager's Review.

The total running costs of the Company exceeded revenue arising from the investments held (including cash at bank and liquidity funds) by £131,000. This takes into account the reduction in the Investment Manager's fee by £15,000, as a result of the operation of the 3.5% cap on annual expenses (excluding trail commission). The total expense ratio at the period end compared to net assets, taking into account the expense cap, was 3.5%.

Share capital

Upon incorporation 2 Ordinary Shares were issued to the subscribers to the Memorandum of Association. On 19 October 2010, 50,000 Redeemable Preference Shares were issued to Beringea LLP, one-quarter paid up. On 25 October 2011, the 50,000 Redeemable Preference Shares were paid up in full and then subsequently redeemed out of the proceeds of the offers.

Between 28 March 2011 and 16 September 2011, 4,818,235 Ordinary Shares were issued at 99.9p per share and 7,227,352 'A' Shares were issued at 0.1p per share pursuant to the offers for subscription by way of a prospectus. The aggregate consideration for the shares was £4,714,000 which excludes the issue costs of £157,000. 2,409,117 of the 'A' Shares were issued to the Investment Manager at 0.1p per share.

No shares were repurchased by the Company during the period.

The total issued share capital at 31 January 2012 was 4,818,237 Ordinary Shares of 0.1p each and 7,227,352 'A' shares of 0.1p each. There are no other share classes in issue.

Results and dividends

	2012	
	£000	Pence per share
Loss for the period	(131)	(2.9p)
<i>Dividends paid</i>		
21 December 2011	145	3.0p

Subject to shareholder approval at the forthcoming AGM, it is proposed to pay a final dividend of 3p per Ordinary Share on 6 June 2012 to shareholders on the register at 25 May 2012.

Annual General Meeting

The AGM of the Company will be held at 39 Earlham Street, London WC2H 9LT at 9.30 am on 30 May 2012. Notice of the meeting is at the end of this document. Resolutions 1 to 8 will be proposed as ordinary resolutions, meaning that for each resolution to be passed, more than half of the votes cast at the meeting must be in favour of the resolution. Resolutions 9 and 10 will be proposed as special resolutions, meaning that for each resolution to be passed, at least 75% of the votes cast at the meeting must be in favour of the resolution.

Resolutions 8 and 9 are seeking to renew the Directors' general authority to allot shares up to a maximum nominal amount of £1,205 (representing 10% of the current issued share capital) and the Directors' authority to issue shares for cash without applying the statutory pre-emption rights. These authorities will lapse on the conclusion of the Company's next annual general meeting or 12 September 2013, whichever is the earlier.

Resolution 10 is seeking approval to renew the Company's existing authority to make market purchases of the Company's own shares. The authority will lapse on the conclusion of the Company's next annual general meeting or 12 September 2013, whichever is the earlier. Purchases will only be made on the London Stock Exchange and this authority will only be exercised in circumstances where the Board believes that it is in the best interests of the shareholders generally. The price to be paid for a share will be the latest published net asset value per Share.

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.

Investment policy

The Company's investment policy covers several aspects as follows:

Qualifying Investments

The Company will seek to build a diversified portfolio of investments in unquoted, primarily UK based companies, which has a lower risk profile than traditional VCTs. The Qualifying Investments will be made in companies that have a substantial asset base or which have reliable revenues from financially sound customers that can be used to provide the Company with security for its investment. Other key elements of the investment strategy for Qualifying Investments are:

- to invest in companies across several industries;
- to maximise the use of secured loans, within the conditions imposed on all VCTs;
- to target returns on each Qualifying Investment which are consistent with achieving the overall investment objectives of the Company;
- to have a clearly defined exit route for the Company's investment.

Non-Qualifying Investments

The funds not employed in Qualifying Investments may be invested in non-Qualifying Investments which are consistent with the Company's objective of being a lower risk VCT. These investments may include cash deposits, fixed income securities, structured products, OEICs and secured loans. Fixed income securities will consist of bonds issued by the UK Government, major companies and institutions, liquidity funds or similar securities of A rating or better. Secured loans will be secured on assets held by investee companies.

Asset Allocation

The Company will invest approximately 75% of its funds in Qualifying Investments. Initially, whilst suitable Qualifying Investments are being identified, the funds will be invested in a portfolio of low-risk non-Qualifying

Investments including cash deposits, money market funds, fixed interest securities, structured products, OEICs and secured loans. Progressively, this portfolio will be realised in order to fund investments in Qualifying Investments.

Although under VCT legislation the Company must have at least 70 per cent of its funds invested in Qualifying Investments within 3 years, the Company intends to invest up to 75 per cent. Accordingly, the Company's maximum exposure to Qualifying Investments will be 75 per cent. The Company intends to retain its remaining funds in non-Qualifying Investments to fund the annual running costs of the Company, to reduce the risk profile of the overall portfolio of its funds and to fund any further investments in its investee companies.

Risk Diversification

The structure of the Company's funds and its investment strategy have been designed to reduce risk as much as possible.

The main risk management features include:

- asset backing/reliable income – each investee company will have a substantial asset base or reliable revenue streams from financially sound customers;
- portfolio of investee companies – the Company will invest in a number of different companies, thereby reducing the potential impact of poor performance by any individual investment;
- monitoring of investee companies – the Manager will closely monitor the performance of all the investments made by the Company in order to identify any issues and to enable necessary corrective action to be taken;
- control over key decisions by investee companies – the Manager will negotiate detailed legal agreements with each investee company giving it significant influence over the development of the business. Generally, one of Beringea's investment managers will be appointed to the board of each investee company.
- rigorous investment process – Beringea has established rigorous procedures for reviewing and approving potential investments, aimed at ensuring a high standard of investment decision-making.

Gearing

It is not the Company's intention to have any borrowings, although it will have the ability to borrow up to 15% of its net asset value.

Change in Investment Policy

A material change in the investment policy of the Company will only be effected with the prior approval of the Company's shareholders in accordance with the Listing Rules.

VCT regulations

In continuing to maintain its VCT status, the Company complies with a number of regulations as set out in S274 of the Income Tax Act 2007. How the main regulations apply to the Company is summarised as follows:

- the Company holds at least 70% of its investments in qualifying companies (as defined by S274 of the Income Tax Act 2007);
- at least 30% of the Company's qualifying investments (by value) are held in "eligible shares" ("eligible shares" generally being ordinary share capital). For funds raised on or after 6 April 2011, there is a requirement to have at least 70% by value of qualifying investments in "eligible shares" which includes ordinary shares with certain preferential rights to dividends, but no preferential rights on a winding-up nor any rights to be redeemed;
- at least 10% of each investment in a qualifying company is held in "eligible shares" (by cost at time of investment);
- no investment constitutes more than 15% of the Company's total investments (by value at time of investment);
- the Company's income for each financial year is derived wholly or mainly from shares and securities;
- the Company distributes sufficient revenue dividends to ensure that not more than 15% of the income from shares and securities in any one year is retained; and
- a maximum unit size of £1 million in each VCT qualifying investment (per tax year).

Borrowings

The Company currently does not have any borrowings; however, the Company's Articles do permit borrowing to give a degree of flexibility. Any such borrowing would need to be approved by the Board.

Environmental and social policy

The Board seeks to conduct the Company's affairs responsibly and considers relevant social and environmental matters where appropriate.

Investment management agreement

Beringea provides investment management services to the Company under an Investment Management Agreement dated 2 November 2010. The Investment Management Agreement is for an initial period of five years from 2 November 2010 and continues thereafter unless terminated by either party giving not less than 12 months notice in writing or at any time after the expiry of the said period of three years. Beringea is entitled to receive management fees of 1.75% per annum of the net assets of the Company calculated on a quarterly basis.

Beringea is also entitled to receive a performance related incentive payment, incentivising the Management to return at least 100p per Ordinary Share to Investors, including a total of 30p per Ordinary Share in annual tax free dividends. This performance payment is capped at 6p per Ordinary Share, once a total of 124p per Ordinary Share has been returned to Shareholders, an average of 1p per Share over the intended maximum 6 year life of the Company. The cap is to ensure that the Manager focuses on investments with a high level of capital security and modest upside potential, rather than higher-risk, higher-return investments.

If the following conditions are met (equivalent to a tax-free return of 7.6% per annum over the life of the Fund):

- dividends of 6p per Ordinary Share per annum are paid to Shareholders for 5 years
- at least 100p per Ordinary Share (including dividends) is returned to Shareholders

then the Management, as a result of its holding of Management A Shares, will receive 20% of all further returns to Shareholders until Investors have received 124p per £1 invested in the Offer, at which point 99.9% of all further returns will go to Ordinary Shareholders.

Administration and company secretarial services

Beringea is also entitled to receive an annual fee of £55,000 plus VAT per annum for accounting, administration and company secretarial services. Beringea waived its entitlement to these fees for the period ended 31 January 2012.

Annual running costs cap

The Company's annual running costs (including irrecoverable VAT but excluding any performance fees payable to the Manager and trail commissions) are capped at 3.5% of the net assets at the period end. Any excess will be paid by Beringea by reducing their fees payable. As previously stated, Beringea's fee was capped for the period under review, with the total fee due being reduced by £15,000.

Directors

The Directors of the Company during the period and their beneficial interests in the issued shares of 0.1p each, were as follows:

Director	At the date of this report		31 Jan 2012	
	Ordinary Shares	A Shares	Ordinary Shares	A Shares
Peter Hewitt	10,350	10,350	10,350	10,350
Robin Chamberlayne	20,900	20,900	20,900	20,900
Malcolm Moss	5,225	647,655	5,225	647,655

Directors' retirement and re-election are subject to the Articles of Association and the AIC Code of Corporate Governance.

Peter Hewitt, Robin Chamberlayne and Malcolm Moss were appointed as directors on 2 November 2010 and, it being the first AGM since their appointment, retire and offer themselves for re-election. The Directors will then be subject to re-election thereafter at intervals of no more than three years.

Each of the Directors has signed a service contract with the Company. The Directors' appointments are on a continuous basis unless otherwise terminated at the discretion of either party upon three months written notice. Each Director is required to devote such time to the affairs of the Company as the Board reasonably requires and their powers are bound by the Company's Articles of Association.

The Company provides Directors' and Officers' liability insurance, giving appropriate cover for legal action brought against its Directors, and has also agreed to indemnify Directors in circumstances where they are not considered to be culpable. The indemnity, which is a qualifying third party indemnity provision for the purpose of the Companies Act, is for the benefit of all of the Company's current Directors.

VCT status

The Company retains PricewaterhouseCoopers LLP ("PwC") to advise it on compliance with VCT requirements, including evaluation of investment opportunities, as appropriate, and regular review of the portfolio.

A summary of the VCT Regulations is included in the Company's Investment Policy as shown on page 14.

Compliance with the main VCT regulations as at 31 January 2012 and for the period then ended, is summarised as follows:

• 70% of its investments in qualifying companies	n/a ¹
• at least 30% of the Company's qualifying investments in "eligible shares"	n/a ¹
• at least 10% of each investment held in "eligible shares"	n/a ²
• no investment constitutes more than 15% of the Company's portfolio	Complied
• income is derived wholly or mainly from shares and securities;	n/a ³
• no more than 15% of the income from shares and securities is retained;	Complied
• a maximum unit size of £1 million in each VCT qualifying investment (per tax year).	n/a ²

Creditor payment policy

The Company's policy is to pay all suppliers' invoices in accordance with agreed terms. Trade creditors and creditor days of the Company at the period end were £3,000 and 50 days.

Key performance indicators

The Board considers the main key performance indicators for the Company are Net Asset Value Total Return (NAV plus cumulative dividends paid to date) and dividends per share (see page 4).

In addition, the Board considers the Company's performance in relation to other VCTs.

These are monitored by the Board at each Board meeting, and are also kept under review by the Investment Manager.

Principal risks and uncertainties

The principal financial risks faced by the Company, which include market risks, credit risks and liquidity risks are disclosed within note 19 to the financial statements.

¹The Company has until 31 January 2014 to comply with this test.

² As at 31 January 2012, no qualifying investments had been made.

³ This test first applies for the year ended 31 January 2013.

In addition to these risks the Board considers the following to be risks to the Company:

Investment risk

This is the risk of investment in poor quality assets which reduce the capital and income returns to shareholders and negatively impact on the Company's reputation. By nature, smaller unquoted businesses, such as those that qualify for venture capital trust purposes are more fragile than larger, long-established businesses.

To reduce the risk, the Board places reliance upon the skills and expertise of the Investment Manager and its track record. In addition, the Investment Manager operates a formal and structured investment process, which includes a formal investment committee. Investments are actively and regularly monitored by the Investment Manager and the Board receives detailed reports on each investment as part of the Investment Manager's report at regular Board meetings.

Compliance risk

As a venture capital trust, and a fully listed company on the London Stock Exchange, the Company operates in a complex regulatory environment and, therefore, faces a number of related risks. A breach of the VCT regulations could result in the loss of VCT status and consequent loss of tax reliefs currently available to shareholders and the Company being subject to capital gains tax. Serious breaches of other regulations, such as the UKLA Listing Rules and the Companies Act 2006, could lead to suspension from the London Stock Exchange and damage to the Company's reputation.

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. Board members have considerable experience of operating at senior levels within quoted and unquoted businesses. The Company employs Beringea LLP as Company Secretary to ensure that compliance with UK Listing Rules is maintained and seeks legal and regulatory advice from appropriate third-party experts when required.

The Board reviews and agrees policies for managing each of these risks. It receives quarterly reports from the Investment Manager, which monitor the compliance of these risks, and places reliance on the Investment Manager to give updates in the intervening period. These policies have remained unchanged since the beginning of the period.

Substantial shareholdings

As at 31 January 2012 and at the date of this report, the Company was not aware of any individual shareholdings exceeding 3 per cent of the issued share capital.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names are listed on page 11, confirms that, to the best of his or her knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the management report contained in the Chairman's Statement, Investment Manager's Review and Report of the Directors includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Electronic publication

The financial statements are published on www.provenvcts.co.uk (maintained by the Investment Manager).

Corporate governance

The Company's compliance with The AIC Code of Corporate Governance (www.aic.co.uk) is shown on pages 19 to 23.

Auditor

Grant Thornton UK LLP was appointed as auditor on 7 November 2011 to fill a casual vacancy in accordance with section 489(3) of the Companies Act 2006. They offer themselves for reappointment as auditor. In accordance with S489(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditor and to authorise the directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Beringea LLP

Secretary of ProVen Planned Exit VCT plc

Company number: 07333086

Registered Office:

39 Earlham Street

London WC2H 9LT

27 April 2012

Corporate Governance Statement

The Board of ProVen Planned Exit VCT plc has considered the principles and recommendations of the AIC Code of Corporate Governance (“AIC Code”) by reference to the AIC Corporate Governance Guide for Investment Companies (“AIC Guide”). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to ProVen Planned Exit VCT plc.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive
- executive directors’ remuneration
- the need for an internal audit function.

For the reasons set out in the AIC Guide, and in the preamble to the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of ProVen Planned Exit VCT plc, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

The Board

At the date of this report, the Company had a Board of three directors. As a whole the Board comprises an appropriate balance of skills, experience and tenure. Peter Hewitt and Robin Chamberlayne are considered to be independent directors by the Board. Biographical details of all Board members are shown on page 11. The Company has no staff other than the Directors and Officers and does not have a chief executive officer.

Directors are not appointed for specified terms but are subject to re-election by shareholders at the first opportunity after their appointment and to further re-election thereafter at three year intervals. Peter Hewitt, Robin Chamberlayne and Malcolm Moss, having been appointed to the Board on 2 November 2010, are subject to re-election by shareholders at the AGM.

All non-executive directors have signed contracts. Directors’ contracts are available for inspection by shareholders immediately before and after the Company’s Annual General Meeting.

Directors are provided with key information on the Company’s activities including regulatory and statutory requirements and internal controls by the Investment Manager. The Investment Manager, in the absence of explicit instructions from the Board, is empowered to exercise discretion in the use of the Company’s voting rights. Shareholdings are generally voted at the Investment Manager’s discretion, with the objective of seeking to maximise shareholder value by constructive use of votes at company meetings and by endeavouring to use its influence as an investor with a principled approach to corporate governance. The Board has direct access to company secretarial advice through the Company Secretary, which is responsible for ensuring that Board procedures are followed.

All Directors are able to take independent professional advice in furtherance of their duties if necessary. In accordance with the AIC Code, the Company has in place Directors’ and Officers’ liability insurance. On appointment any new Director will be given a comprehensive introduction to the Company’s business including meeting the Company’s key advisers where appropriate.

The Board is responsible to shareholders for the proper management of the Company and meets at least quarterly. The Code states that the Board should have a formal schedule of matters specifically reserved to it for decision, to ensure that it has firm direction and control of the Company. This is achieved by a management agreement between the Company and the Investment Manager, which sets out the matters over which the Investment Manager has authority and the limits above which Board approval must be sought. All other matters including strategy, investment and dividend policies, gearing and corporate governance proceedings are reserved for the approval of the Board of Directors.

The Chairman, together with the Company Secretary, establishes the agenda for each Board meeting. The necessary papers for each meeting are distributed well in advance of each meeting.

A resolution will be put to shareholders at the forthcoming AGM to authorise the Board to make market purchases of the Company's own shares.

A resolution will be put to shareholders at the forthcoming AGM to authorise the Board to issue new shares of up to 10% of the current issued share capital.

The Company's capital structure is disclosed on page 12.

Committees to the Board

The Company has an Audit Committee and Remuneration Committee, both of which have defined terms of reference and duties, which are available from the Company Secretary. A Management Engagement Committee has not been constituted with matters thereon being dealt with by the Board as a whole. The Board has not appointed a Nominations Committee as it considers the Board to be small. Appointments of new directors are reserved for the full Board. The independent directors were appointed to the Board because they have experience which is both relevant to the VCT industry and to the types of investments in which the Company might seek to invest. It is anticipated that, should the need arise, the Board would look to appoint further directors or to replace existing directors, on a similar basis.

Audit Committee

The Company's Audit Committee is a fully constituted committee of the Board of Directors, established to perform the duties set out below and to report on those matters to the Board.

- to monitor the integrity of the Company's financial statements including its annual and half yearly reports and review significant financial reporting judgements contained in them.
- to review the Company's internal controls and risk management systems.
- to review the need for an internal audit function.
- to make recommendations to the Board for it to put to shareholders for their approval at the AGM, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.
- to discuss, and to report to the Board on, any matters arising from the external audit and any matter the auditor may wish to discuss.
- to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.
- to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.
- the chairman shall attend the AGM of the Company prepared to respond to any shareholder questions on the Committee's activities.

The Audit Committee comprises all directors and is chaired by Robin Chamberlayne. The Board has deemed it appropriate that all directors sit on the Audit Committee due to their experience in such matters. Although the Audit Committee has not formally met during the period, it is aware of its responsibilities and all matters relating to the Audit Committee have been reported to the Board at the Board meetings and by ad hoc informal communication to the Board.

The Audit Committee reviews the performance and continued suitability of the Company’s auditors. In advance of each audit, Grant Thornton UK LLP (“Grant Thornton”) provide an audit strategy plan for consideration by the Committee, including confirmation of Grant Thornton’s compliance with the Ethical Standards of the Auditing Practices Board and of the audit and non-audit fees chargeable to the Company. Grant Thornton liaise directly with the Investment Manager during the audit process and attend the Audit Committee meeting at which the Annual Report is considered. Grant Thornton provide a detailed Audit Committee Report outlining their audit process and setting out their findings. The Audit Committee and Investment Manager are able to assess the quality of Grant Thornton’s work and of Grant Thornton’s understanding of the business. Based on these procedures, the Audit Committee has obtained sufficient assurance as to Grant Thornton’s independence and performance and it therefore recommends to shareholders that Grant Thornton be re-appointed as Auditor for the forthcoming year.

The Audit Committee safeguards the objectivity and independence of the auditor by reviewing the nature and extent of non-audit services supplied by the external auditors of the Company, seeking to balance objectivity and value for money.

In relation to the appointment of the Company’s auditors, the Company sought fee quotes from a number of professional firms. The decision to appoint Grant Thornton UK LLP was made on the basis of experience and the reasonableness of their fees.

Remuneration Committee

The Company’s Remuneration Committee is a fully constituted committee of the Board of Directors, established to perform the duties set out below and to report on those matters to the Board.

- to consider the levels and make up of remuneration which are sufficient to attract, retain and motivate directors of the quality required and which are needed to run the Company successfully.
- to ensure that provisions regarding disclosure of remuneration including pensions are fulfilled.
- to produce an annual report of the remuneration policy which will form part of the Company’s Annual Report and Accounts and ensure that each year it is put to shareholders for approval at the AGM.
- the chairman shall attend the AGM of the Company prepared to respond to any shareholder questions on the Committee’s activities and directors’ remuneration.

The Remuneration Committee comprises all directors and is chaired by Robin Chamberlayne. The Committee’s annual report can be found on pages 24 and 25 of this report.

Board and Committee meetings

The following table sets out the Directors’ attendance at full Board and Committee meetings held during the period ended 31 January 2012.

Director	Board meetings		Audit Committee meetings		Remuneration Committee meetings	
	held	attended	held	attended	held	attended
Peter Hewitt	4	4	N/A	N/A	N/A	N/A
Robin Chamberlayne	4	4	N/A	N/A	N/A	N/A
Malcolm Moss	4	4	N/A	N/A	N/A	N/A

The Audit Committee and the Remuneration Committee met after the period end on 28 March 2012. The Board is in regular contact with the Investment Manager between Board meetings.

Whistle blowing

The Board has considered the Code's recommendations in respect of arrangements by which staff of the Investment Manager may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. It has concluded that adequate arrangements are in place for proportionate and independent investigation of such matters, and where necessary, for appropriate follow up action to be taken.

Board performance

At the date of this report the Board had not evaluated its performance on the basis that the first shares were only issued in the current period. No concerns have been raised as regards performance. However, it is the intention of the Board to carry out an evaluation of the Board performance in the forthcoming financial year and annually thereafter.

Financial reporting

The Directors' Responsibilities Statement for preparing the accounts is set out in the Directors' Report on page 17, and a statement by the Auditor about their reporting responsibilities is set out in the Auditor's Report on page 26.

Relations with shareholders

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. Shareholders have the opportunity to meet the Board and representatives of the management team at the Annual General Meeting. All shareholders are welcome to attend the meeting and to ask questions of the Directors. The Investment Manager also holds an annual investor day for the VCTs it manages and shareholders are welcome to attend. The Board is also happy to respond to any written queries made by shareholders during the course of the year. All communication from shareholders is recorded and reviewed by the Board to ensure that shareholder enquiries are promptly and adequately resolved.

As disclosed in the Report of the Directors on page 17, at the period end there were no shareholders holding a substantial interest in the Company.

Separate resolutions are proposed at the AGM on each substantially separate issue. Proxy votes are collated and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the AGM.

In order to comply with the UK Corporate Governance Code, proxy votes are announced at the AGM, following each vote on a show of hands, except in the event of a poll being called, and are published immediately following the AGM. The notice of the next AGM and proxy form can be found at the end of these financial statements.

The Company also communicates with shareholders through annual and half yearly reports. The Board as a whole approves the terms of the Chairman's Statement and the Investment Manager's Review which form part of these reports in order to ensure that they present a balanced and understandable assessment of the Company's position. The Company also releases quarterly interim management statements, and other information as required, to the London Stock Exchange.

Internal control

The Board acknowledges that it is responsible for the Company's internal control systems and for reviewing their effectiveness. In accordance with the UK Corporate Governance Code, the Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. Internal controls are designed to manage the particular needs of the Company and the risks to which it is exposed. The internal control systems aim to ensure the maintenance of adequate accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication, and that the assets of the Company are safeguarded. They can by their nature only provide reasonable and not absolute assurance against material misstatement or loss. The controls operated by the Board include the authorisation of the investment strategy and regular reviews of the results and investment performance.

Although the Board is ultimately responsible for safeguarding the assets of the Company, the Board has delegated, through written agreements, the day-to-day operation of the Company, i.e. investment management, administration functions (including the financial reporting process) and cash management to Beringea. This contract was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers regular reports from the Investment Manager. Ad hoc reports and information are supplied to the Board as required. It remains the role of the Board to keep under review the terms of the management agreement with the Investment Manager and to evaluate the performance of the Investment Manager. The Board has reviewed its contracts and considers its investment management contract with Beringea as essential to the business. Further information on Beringea is available from www.provenvcts.co.uk.

An annual review of the control systems is carried out which covers consideration of the key risks in a number of areas. Each risk is considered with regard to the likelihood that the risk may occur, the impact of the risk on the performance and reputation of the Company should it occur, and the controls exercised over that risk. The Investment Manager reports to the Board on the operation of the controls; in addition the external auditor may report on control weaknesses identified during the course of the audit as part of its Audit Committee Report.

The main aspects of the internal controls that were in place during the period to 31 January 2012 were:

- all proposed investments are approved by the Beringea Investment Committee and signed off by the Beringea Managing Partner;
- an independent review of portfolio valuations is undertaken by the Board on a quarterly basis;
- monthly bank reconciliations are performed by the Investment Manager; and
- the annual and half year reports, interim management statements and any changes to net asset value are approved by the Board prior to publication.

The Board has identified no significant problems with the Company's internal controls that warrant disclosure in the annual report.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Statement on page 5, the Investment Manager's Review on page 7, and the Report of the Directors on page 12. The financial position of the Company, its cash flows and liquidity position are shown in the Cash Flow Statement on page 30. In addition, notes 18 to 20 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

In accordance with "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009", issued by the Financial Reporting Council, the Board has assessed the Company's operation as a going concern. The Company has considerable financial resources both at the period end and at the date of this report comprising of cash, liquidity funds and fixed asset investments. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of compliance

The Directors consider that the Company has complied throughout the period ended 31 January 2012, and continues to comply at the date of this report, with all the relevant provisions set out in the AIC Code of Corporate Governance, subject to the exceptions noted above.

By order of the Board

Beringea LLP
Secretary
39 Earlham Street
London WC2H 9LT
27 April 2012

Directors' Remuneration Report

Introduction

The Board has prepared this report, in accordance with the requirements of Section 420 of the Companies Act 2006. A resolution to approve this report will be put to the members at the AGM to be held on 30 May 2012.

Under the requirements of Section 497, the Company's Auditors are required to audit certain disclosures contained within the report. These disclosures have been highlighted and the audit opinion thereon is contained within the Auditor's Report on pages 26 and 27.

Remuneration Committee

The Remuneration Committee comprises all members of the Board and is chaired by Robin Chamberlayne. The Board considers it appropriate that all directors are part of the committee given the size of the company and the Board.

The Remuneration Committee, which is a committee of the Board, meets at least annually, to consider the Directors' remuneration and to make recommendations thereon to the Board. The secretary provides a comparison of the Directors' remuneration with that of venture capital trusts of similar size. This comparison, together with the consideration of any alteration in Directors' responsibilities, is used to consider whether any change in remuneration is necessary.

Policy on Directors' fees

The Board's policy is that the remuneration of directors should be fair and comparable with that of other venture capital trusts of similar size. The level of remuneration should be sufficient to attract and retain the directors required to oversee effectively the Company.

In addition, it should reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs. It is intended that this policy will continue in force.

The fees for the Directors are determined within the limits set out in the Company's Articles of Association. The present aggregate limit for directors' remuneration is £100,000 per annum and the approval of shareholders at a general meeting would be required to change this limit.

Directors' agreements

Each of the Directors has an agreed letter of appointment whereby he is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with his role as a non-executive Director. The Directors' appointments are on a continuous basis unless otherwise terminated at the discretion of either party upon three months written notice.

Directors' remuneration (audited)

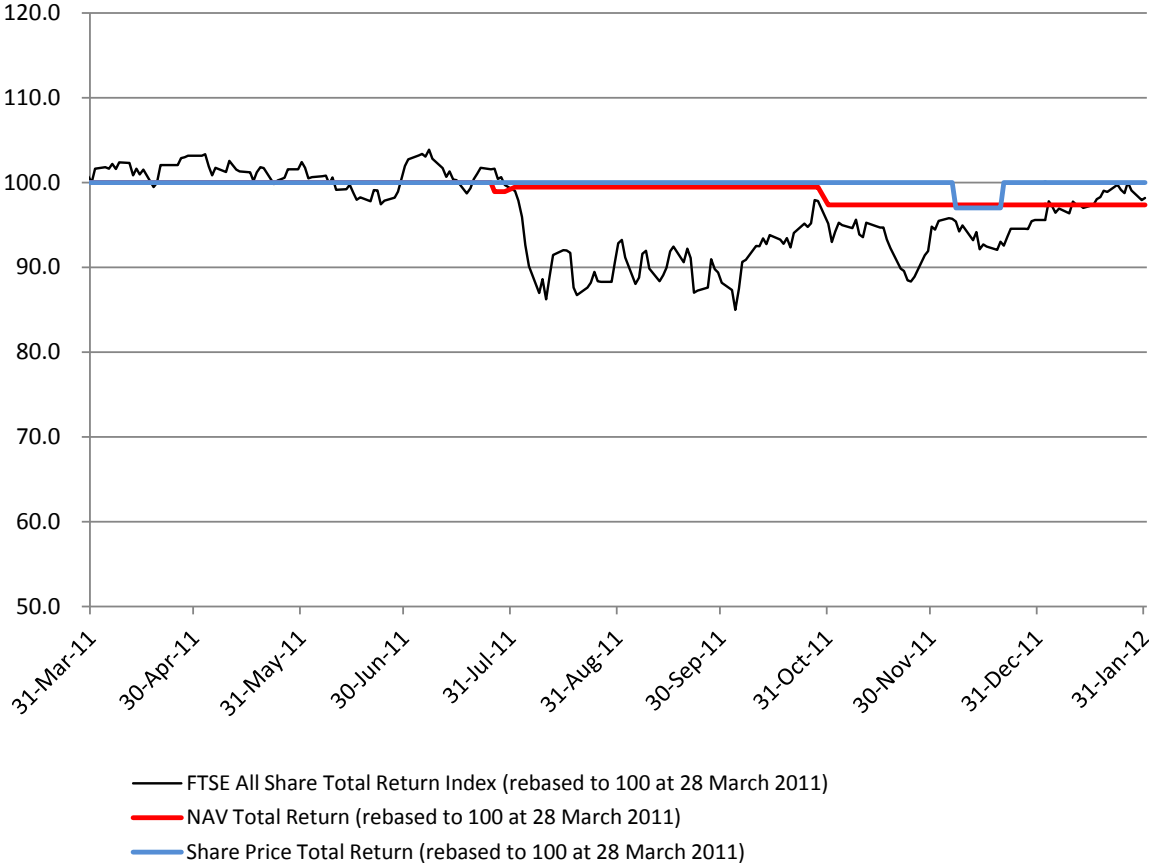
	2012
Director	£
Peter Hewitt	15,625
Robin Chamberlayne	12,500
	28,125

No other emoluments, pension contributions or life assurance contributions were paid by the Company to, or on behalf of, any Director.

The Company does not have any share options in place and no performance incentive fees are due to the Directors. During the period Beringea waived its entitlement to receive fees in respect of the provision of the services of Malcolm Moss to the Company as a non-executive director.

Performance graph

The graph below compares the change in the Company’s net asset value total return and Ordinary Share price total return with that of the FTSE All Share Total Return Index since 28 March 2011. The Company’s net asset value total return is calculated as the net asset value with dividends reinvested at the net asset value prevailing on the date the dividends were paid. The Company’s Ordinary Share price total return is calculated as mid market share price with dividends reinvested at the mid market price prevailing on the date the dividends were paid. The graph does not take into account the initial tax benefits on subscription received by shareholders. There are no options, issued or exercisable, in the Company which would distort the graphical representation below.



On behalf of the Board

Beringea LLP
Secretary
39 Earlham Street
London WC2H 9LT
27 April 2012

Independent Auditors' Report to the Members of ProVen Planned Exit VCT plc

We have audited the financial statements of Proven Planned Exit VCT plc for the period ended 31 January 2012 which comprise the Income Statement, Reconciliation of Movement in Shareholders' Funds, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2012 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the directors' statement, on page 24, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on directors' remuneration.

Tracey James (Senior Statutory Auditor)

for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountant
OXFORD
27 April 2012

Income Statement

for the period ended 31 January 2012

Period ended 31 January 2012

	Note	Revenue £'000	Capital £'000	Total £'000
Income	2	13	–	13
Investment management fees	3	(12)	(37)	(49)
Other expenses	4	(86)	(9)	(95)
Return on ordinary activities before tax		(85)	(46)	(131)
Tax on ordinary activities	6	–	–	–
Return attributable to equity shareholders		(85)	(46)	(131)
Basic and diluted return per share:				
Ordinary Share	8	(1.9p)	(1.0p)	(2.9p)
'A' Share	8	–	–	–

All revenue and capital items in the above statement derive from continuing operations. The total column within the Income Statement represents the profit and loss account of the Company.

Reconciliation of Movements in Shareholders' Funds

Period ended 31 January 2012

	Note	£'000
Opening Shareholders' funds		–
Proceeds from share issues	13/14	4,714
Share issue costs	14	(157)
Total recognised return for the period		(131)
Dividends	7	(145)
Closing Shareholders' funds		4,281

The accompanying notes form an integral part of these financial statements.

Balance Sheet

as at 31 January 2012

	Note	2012 £'000
Fixed assets		
Investments	9	450
Current assets		
Debtors	10	10
Investments	11	380
Cash at bank and in hand	17	3,523
		3,913
Creditors: amounts falling due within one year	12	(82)
Net current assets		3,831
Net assets		4,281
Capital and reserves		
Called up Ordinary Share capital	13	5
Called up 'A' Share capital	13	7
Share premium account	14	–
Special reserve	14	4,400
Capital reserve - realised	14	(46)
Revenue reserve	14	(85)
Total equity shareholders' funds		4,281
Basic and diluted net asset value per share		
Ordinary Share	15	88.7p
'A' Share	15	0.1p

These financial statements were approved by the Board of Directors on 27 April 2012 and were signed on its behalf by

Peter L R Hewitt

Chairman

Company number: 7333086

The accompanying notes form an integral part of these financial statements.

Cash Flow Statement

for the period ended 31 January 2012

	Note	Period ended 31 January 2012 £'000
Net cash outflow from operating activities	16	(59)
Capital expenditure		
Purchase of investments		(450)
Net cash outflow from capital expenditure		(450)
Equity dividends paid		(145)
Management of liquid resources		
Purchase of current investments held as liquidity funds		(500)
Withdrawal from liquidity funds		120
Net cash outflow from liquid resources		(380)
Net cash outflow before financing		(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
Increase in cash	17	3,523

The accompanying notes form an integral part of these financial statements.

Notes to the Accounts

for the period ended 31 January 2012

1. Accounting policies

Basis of accounting

The Company has prepared its financial statements under UK Generally Accepted Accounting Practice (“UK GAAP”) and in accordance with the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” revised January 2009 (“SORP”).

The financial statements are prepared under the historical cost convention except for certain financial instruments measured at fair value.

The Company implements new Financial Reporting Standards (“FRS”) issued by the Accounting Standards Board when required.

Presentation of Income Statement

In accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue is the measure the Directors believe appropriate in assessing the Company’s compliance with certain requirements set out in S274 of the Income Tax Act 2007.

Fixed assets investments

Investments, including equity and loan stock, are designated as “fair value through profit or loss” assets due to investments being managed and performance evaluated on a fair value basis. A financial asset is designated within this category if it is both acquired and managed, with a view to selling after a period of time, in accordance with the Company’s documented investment policy. The fair value of an investment upon acquisition is deemed to be cost. Thereafter investments are measured at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (“IPEVCGV”) issued in September 2009 together with FRS26.

The valuation methodologies used by the Directors for assessing the fair value of unquoted investments are as follows:

- investments are usually retained at cost for an appropriate period following investment, except where a company’s performance against plan is significantly below the expectations on which the investment was made in which case a provision against cost is made as appropriate;
- where a company is in the early stage of development it will normally continue to be held at cost, reviewed for impairment on the basis described above;
- where a company is well established after an appropriate period, the investment may be valued by applying a suitable earnings or revenue multiple to that company’s maintainable earnings or revenue. The multiple used is based on comparable listed companies or a sector but discounted to reflect factors such as the different sizes of the comparable businesses, different growth rates and the lack of marketability of unquoted shares;
- where a value is indicated by a material arms-length transaction by a third party in the shares of the company, the valuation will normally be based on this, reviewed for impairment as appropriate; and
- where alternative methods of valuation, such as net assets of the business or the discounted cash flows arising from the business are more appropriate, then such methods may be used.

The methodology applied takes account of the nature, facts and circumstances of the individual investment and uses reasonable data, market inputs, assumptions and estimates in order to ascertain fair value. Methodologies are applied consistently from year to year except where a change results in a better estimate of fair value.

Where an investee company has gone into receivership or liquidation, or there is little likelihood of a recovery from a company in administration, the loss on the investment, although not physically disposed of, is treated as being realised.

Gains and losses arising from changes in fair value are included in the Income Statement for the year as a capital item.

It is not the Company's policy to exercise either significant or controlling influence over investee companies. Therefore the results of these companies are not incorporated into the Income Statement except to the extent of any dividends or interest accrued. This is in accordance with the SORP that does not require portfolio investments to be accounted for using the equity method of accounting.

Current assets investments

Current asset investments, which comprise investments in liquidity funds with AAA rating, are held at fair value through profit and loss and are marked-to-market. Liquidity funds are mutual funds that invest in high quality short-term money market instruments enabling investors to access a highly diversified and liquid portfolio. These assets are purchased and redeemed under a contract and the assets are recognised and derecognised on the trade date. These assets are initially measured at cost and subsequently valued at fair value, being the closing price of the fund as issued by the provider.

Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established, normally the ex dividend date.

Interest income is accrued on a time apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable and only where there is reasonable certainty of collection.

Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Income Statement, all expenses have been presented as revenue items except as follows:

- expenses which are incidental to the acquisition of an investment are deducted from the Capital Account;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment; and
- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and accordingly the investment management fee has been allocated 25% to revenue and 75% to capital, in order to reflect the Directors' expected long-term view of the nature of the investment returns of the Company.

Taxation

The tax effects on different items in the Income Statement are allocated between capital and revenue on the same basis as the particular item to which they relate, using the Company's effective rate of tax for the accounting period.

Due to the Company's status as a Venture Capital Trust and the continued intention to meet the conditions required to comply with S274 of the Income Tax Act 2007, no provision for taxation is required in respect of any realised or unrealised appreciation of the Company's investments which arises.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, as rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts.

Cash

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Debtors

The Company's debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Liabilities

The Company's financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Issue costs

Issue costs in relation to share issues have been deducted from the share premium account.

2. Income

	2012 £'000
Income from investments	
Loan stock interest	3
Liquidity funds interest	1
	4
Other income	
Deposit interest	9
	13

3. Investment management fees

	2012 £'000
Investment management fees	49

Investment management fees are payable to Beringea and are 1.75% per annum of the net assets of the Company, calculated on a quarterly basis. These fees are not subject to VAT.

The annual running costs of the Company for the period are subject to an expenses cap of 3.5% of the Company's net assets, based on the balance sheet date. Annual running costs exceeding the cap are borne by the Investment Manager and its investment management fee is reduced accordingly. The net position, after accounting for the annual running costs cap is therefore disclosed in the table above.

4. Other expenses

	2012 £'000
Directors' remuneration	28
Auditors' remuneration for audit	16
Other administrative expenses	51
	95

5. Directors' remuneration

The Company had no employees (other than Directors) during the period. Directors' remuneration is disclosed in note 4 above. No other emoluments or pension contributions were paid by the Company to, or on behalf of any Directors.

6. Tax on ordinary activities

2012
£'000

(a) Tax charge for the period	
UK corporation tax at 20%	–
Charge for the period	–

(b) Factors affecting tax charge for the period

Return on ordinary activities before taxation	(131)
Tax charge calculated on return on ordinary activities before taxation at the applicable rate of 26.66%	(35)
Effects of:	
Expenses disallowed for tax purposes	2
Losses available to carry forward	33
	–

- (c) A deferred tax asset has not been recognised in respect of timing difference relating to excess management expenses carried forward as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £8,000 and would only be recovered were the Company to make sufficient taxable profits in the future.

7. Dividends

2012
£'000

Paid in the period	
Interim dividend of 3.0p per Ordinary Share paid on 21 December 2011	145
	145
Proposed final dividend	
3.0p per Ordinary Share payable on 6 June 2012	145

8. Return per share

	Ordinary Shares	'A' Shares
Return per share based on:		
Net return after taxation for the financial period (£'000)	(85)	–
Weighted average number of shares in issue	4,552,965	5,625,410
Capital return per share based on:		
Net capital return for the financial period (£'000)	(46)	–
Weighted average number of shares in issue	4,552,965	5,625,410

As the Company has not issued any convertible securities or share options, there is no dilutive effect on the return per Ordinary or 'A' Share. The return per share disclosed therefore represents both basic and diluted return per Ordinary and 'A' Share.

9. Fixed assets – investments

	Unlisted investments £'000
Purchases at cost	450
Disposal	-
Unrealised gains in the income statement	-
Closing fair value at 31 January 2012	450
Closing cost at 31 January 2012	450
Gains at 31 January 2012	-
Closing fair value at 31 January 2012	450

10. Debtors

	2012 £'000
Prepayments and accrued income	10

11. Current investments

	2012 £'000
HSBC liquidity fund	380

12. Creditors: amounts falling due within one year

	2012 £'000
Trade creditors	3
PAYE	3
Accruals and deferred income	76
	82

13. Called up share capital

	2012 £'000
Allotted, called up and fully-paid:	
4,818,237 Ordinary Shares of 0.1p each	5
7,227,352 'A' Shares of 0.1p each	7
	12

Upon incorporation 2 Ordinary Shares were issued to the subscribers to the Memorandum of Association. On 19 October 2010, 50,000 Redeemable Preference Shares were issued to Beringea LLP, one-quarter paid up.

Between 28 March 2011 and 16 September 2011, 4,818,235 Ordinary Shares were issued at 99.9p per share and 7,227,352 'A' Shares were issued at 0.1p per share pursuant to the offers for subscription by way of a prospectus. The aggregate consideration for the shares was £4,714,000 which excludes the issue costs of £157,000. 2,409,117 of the 'A' Shares were issued to the Investment Manager at 0.1p per share.

Dividends and other distributions or a return of capital (otherwise than on a market purchase by the Company of any of its shares) shall be applied as follows:

- payments will be made as to 99.9% to Ordinary Shareholders and 0.1% to 'A' Shareholders, pro rata to their nominal capital, until and unless the following conditions are met (i) the payment by the Company of a dividend of at least 6p per Ordinary Share per annum in respect of each of the financial years starting on 1 February 2011 to 1 February 2015 and (ii) the payment by way of dividends (including the dividends paid in (i)) and tender offers of at least 100p per Ordinary Share
- after these conditions have been met, the balance of such amounts shall be applied as 40% to Ordinary Shareholders and 60% to 'A' Shareholders, until total payments to investors reach 124p per £1 invested, after which
- payments will be made as 99.9% to Ordinary Shares and 0.1% to 'A' Shares.

The Ordinary Shareholders and 'A' Shareholders are entitled to receive notice of, to attend, speak and vote at any general meeting. Every Ordinary Shareholder present in person or by proxy has one thousand votes for each Ordinary Share held. Every 'A' Shareholder present in person or proxy has one vote for each 'A' Share held.

On a winding up, the capital and assets of the Company shall be divided amongst the Ordinary Shareholders and the 'A' Shareholders in accordance with the policy on dividends and other distributions described above.

On 25 October 2011, the 50,000 Redeemable Preference Shares were paid up in full and then subsequently redeemed out of the proceeds of the offers.

14. Reserves

	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 2 August 2010	-	-	-	-	-
Issue of new shares	4,702	-	-	-	4,702
Share issue costs	(157)	-	-	-	(157)
Transfer between reserves	(4,545)	4,545	-	-	-
Return for the period	-	-	(46)	(85)	(131)
Dividend paid	-	(145)	-	-	(145)
At 31 January 2012	-	4,400	(46)	(85)	4,269

The special reserve was created on 24 October 2011 by the cancellation of the share premium account following court approval. The special reserve is available to the Company to enable the purchase of its own shares in the market without affecting its ability to pay capital distributions and for other corporate purposes. The special reserve and revenue reserve are both distributable reserves.

15. Net asset value per share

	Shares in issue	Pence per share	2012 Net asset value £'000
Ordinary Shares	4,818,237	88.7	4,274
'A' Shares	7,227,352	0.1	7
Net assets			4,281

The Directors allocate the assets and liabilities of the Company between the Ordinary Shares and 'A' Shares such that each share class has sufficient net assets to represent its dividend and return of capital rights as described in note 13.

As the Company has not issued any convertible securities or share options, there is no dilutive effect on net asset per share. The net asset value per share disclosed therefore represents both basic and diluted return per share.

16. Reconciliation of return on ordinary activities before taxation to net cash flow from operating activities

	2012 £'000
Return on ordinary activities before taxation	(131)
Increase in debtors	(10)
Increase in creditors	82
Net cash outflow from operating activities and returns on investments	(59)

17. Analysis of changes in cash during the period

	2012 £'000
Beginning of period	–
Net cash inflow	3,523
End of period	3,523

18. Financial instruments and derivatives

The Company's financial instruments comprise investments measured at fair value through profit or loss, liquidity funds, cash deposits and short term debtors and creditors arising from its operations. The main purpose of these financial instruments is to generate cash flow, revenue and capital appreciation for the Company's operations. The Company has no gearing or other financial liabilities apart from short term creditors and does not use any derivatives.

The company has categorised its financial instruments at fair value through profit and loss using the fair value hierarchy as follows:

- Level 1 Reflects financial instruments quoted in an active market (liquidity fund investments);
- Level 2 Reflects financial instruments that have prices that are observable either directly or indirectly (no such investments currently held);
- Level 3 Reflects financial instruments that are not based on observable market data (unquoted equity investments and loan note investments).

	2012			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Loan notes	–	–	417	417
Unquoted	–	–	33	33
Liquidity fund	380	–	–	380
	380	–	450	830

The Company's financial assets and liabilities are summarised as follows:

	2012 £'000
<i>Fair value through profit or loss assets</i>	
Investments in loan stock	417
<i>Loans and receivables</i>	
Investments in liquidity funds	380
Cash and cash equivalents	3,523
Interest, dividends and other receivables	10
<i>Amortised cost</i>	
Trade creditors	3
PAYE	3
Accruals and deferred income	76

Interest rate profile of financial assets and liabilities

The Company receives interest on its cash deposits at a rate agreed with its bankers and on liquidity funds at rates based on the underlying investments. A summary of the interest rate profile of the Company's investments is shown below.

There are three categories in respect of interest which are attributable to the financial instruments held by the Company as follows:

- "Fixed rate" assets represent investments held with predetermined yield targets and comprise cash at bank.
- "Floating rate" assets predominantly bear interest at rates linked to Bank of England base rate or LIBOR and comprise cash at bank and liquidity fund investments.
- "No interest rate" assets do not attract interest and comprise receivables (excluding cash at bank) and other financial liabilities.

	Average interest rate	Average period to maturity	2012 £'000
Fixed rate	2.2%	n/a	3,920
Floating rate	0.1%	n/a	400
No interest rate			(39)
			4,281

The interest rate represents the average interest rate over the period. Based on the assumption that the yield of all floating rate financial instruments would change by an amount equal to the movement in prevailing interest rates, it is estimated that an increase of 1% in interest rates would have increased total return before taxation for the period by £3,000. As the Bank of England Base Rate stood at 0.5% per annum throughout the period, it is not believed that a reduction from this level is likely.

Financial liabilities

The Company had no financial liabilities or guarantees other than the creditors disclosed within the Balance Sheet.

Currency exposure

As at 31 January 2012, the Company had no foreign currency exposures.

Borrowing facilities

The Company had no committed borrowing facilities as at 31 January 2012.

19. Principal financial risks and management objectives

The Company's investment activities expose the Company to a number of risks associated with financial instruments and the sectors in which the Company invests. The principal financial risks arising from the Company's operations are:

- market risks;
- credit risk; and
- liquidity risk.

The Board regularly reviews these risks and the policies in place for managing them. There have been no significant changes to the nature of the risks that the Company is exposed to over the period and there have also been no significant changes to the policies for managing those risks during the period.

The risk management policies used by the Company in respect of the principal financial risks and a review of the financial instruments held at the period end are provided below:

Market risks

As a VCT, the Company is exposed to market risks in the form of potential losses and gains that may arise on the investments it holds. The key market risk to which the Company is exposed is market price risk. The Company has undertaken sensitivity analysis on its financial instruments, split into the relevant component parts, taking into consideration the economic climate at the time of review in order to ascertain the appropriate risk allocation.

Market price risk

Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Company's investment objectives. It represents the potential loss that the Company might suffer through changes in the fair value of unquoted investments.

It is not the Company's policy to use derivative instruments to mitigate market risk, as the Board believes that the effectiveness of such instruments does not justify the cost involved.

The sensitivity analysis below assumes that each of the sub categories of financial instruments (ordinary shares, preference shares, loan stocks and liquidity funds) held by the Company produces an overall movement of 20%. Shareholders should note that equal correlation between these sub categories is unlikely to be the case in reality, particularly in the case of loan stock instruments. This is because the loan stock instruments would not share in the impact of any increase in share prices to the same extent as the equity instruments, as the returns are set by reference to interest rates and premiums agreed at the time of the initial investment. Similarly, where share prices are falling, the equity instrument could fall in value before the loan stock instrument. It is not considered practical to assess the sensitivity of the loan stock instruments to market price risk in isolation.

Sensitivity	2012 – 20% fall		
	Risk exposure £'000	Impact on net assets £'000	Impact on NAV per Ordinary Share Pence
Venture capital investments	450	(90)	(1.9p)
Liquidity fund	380	(76)	(1.5p)
	830	(166)	(3.4p)

Credit risk

Credit risk is the risk that a counterparty to a financial instrument is unable to discharge a commitment made under that instrument. The Company is exposed to credit risk through its holdings of investments in liquidity funds, cash deposits and debtors.

The Company's exposure to credit risk is summarised as follows:

	2012 £'000
Investments in loan stock	417
Investments in liquidity funds	380
Cash and cash equivalents	3,523
Interest, dividends and other receivables	10
	4,330

Credit risk in respect of loan stock is managed with a similar approach as described under 'market risks' above.

Credit risk in respect of the investment in liquidity funds is minimised by investing in AAA-rated funds.

Cash is mainly held by HSBC Bank plc, Natwest Bank plc and Bank of Scotland Bank plc which are AA-, A and A rated financial institutions respectively. Consequently, the Directors consider that the risk profile associated with cash deposits is low.

Liquidity risk

Liquidity risk is the risk that the Company encounters difficulties in meeting obligations associated with its financial liabilities. As the Company only ever has a low level of creditors and no borrowings, the Board believes that the Company's exposure to liquidity risk is minimal, given the current large cash balance.

20. Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to continue to provide returns for Shareholders.

The requirement of the Venture Capital Trust Regulations and the fact that the Company does not have any borrowings mean that there is limited scope to manage the Company's capital structure. However, to the extent it is possible, the Company can maintain or adjust its capital structure by adjusting the amount of dividends paid to Shareholders, purchasing its own shares or issuing new shares.

As the Company has a low level of liabilities, the Board considers the Company's net assets to be its capital. The Company does not have any externally imposed capital requirements.

21. Post balance sheet events

Two VCT qualifying investments totalling £1 million were made after the period end. An investment of £600,000 comprising £180,000 in ordinary shares and £420,000 in loan stock was made in Cross Solar Limited. An investment of £400,000 comprising £120,000 in ordinary shares and £280,000 in loan stock was made in Long Eaton Healthcare Limited.

22. Contingencies, guarantees and financial commitments

At 31 January 2012, the Company had no contingencies, guarantees or financial commitments.

23. Controlling party and related party transactions

In the opinion of the directors there is no immediate or ultimate controlling party.

Beringea LLP, of which Malcolm Moss is a partner, acted as promoter to the offers for subscription launched in November 2010. Beringea LLP received 5.5% of the gross proceeds of the offers, out of which it paid the costs of the offers including initial commissions. No issue costs were outstanding at the period end. Beringea LLP was also the investment manager and administrator during the period. The fees relating to these services amounted to £49,000, all of which was outstanding at the period end.

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 share price (27 April 2012)	97.0p 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).

Financial calendar

30 May 2012	Annual general meeting
6 June 2012	Payment of final dividend (subject to shareholder approval)
June 2012	Release of interim management statement to 30 April 2012
September 2012	Announcement of half yearly results to 31 July 2012
December 2012	Release of interim management statement to 31 October 2012
April 2013	Announcement of full year results and release of annual report to 31 January 2013

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.

Selling shares

The Company's shares can be bought and sold in the same way as any other company listed on the London Stock Exchange 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 Beringea LLP, the Company Secretary, 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 Beringea LLP, the Company Secretary, 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.

Company Information

Directors

Peter Hewitt (Chairman)

Robin Chamberlayne

Malcolm Moss

all of:

39 Earlham Street

London

WC2H 9LT

Secretary and registered office

Beringea LLP

39 Earlham Street

London

WC2H 9LT

Tel: 020 7845 7820

Investment manager

Beringea LLP

39 Earlham Street

London

WC2H 9LT

Tel: 020 7845 7820

www.provenvcts.co.uk

Auditors

Grant Thornton UK LLP

3140 Rowan Place

John Smith Drive

Oxford Business Park South

Oxford

Oxfordshire

OX4 2WB

Registrar

Computershare Investor Services PLC

The Pavilions

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(calls charged at national rate)

VCT status adviser

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

Solicitors

Howard Kennedy

19 Cavendish Square

London

W1A 2AW

Principal bankers

HSBC Bank Plc

West End Commercial Centre

2nd Floor

16 King Street

London

WC2E 8JF

Notice of the Annual General Meeting

of ProVen Planned Exit VCT plc

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ProVen Planned Exit VCT plc (“the Company”) will be held at 39 Earlham Street, London WC2H 9LT at 9.30 am on 30 May 2012 for the transaction of the following business:

As **Ordinary Business**, to consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive and adopt the Report of the Directors and Accounts of the Company for the period ended 31 January 2012 together with the report of the Auditor thereon.
2. To approve the Directors’ Remuneration Report.
3. To approve the payment of a final dividend of 3.0p per Ordinary Share.
4. To re-appoint Grant Thornton UK LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts of the Company are presented and to authorise the Directors to determine their remuneration.
5. To re-elect Peter Hewitt as a Director who retires in accordance of the Company’s Articles of Association and offers himself for re-election.
6. To re-elect Robin Chamberlayne as a Director who retires in accordance of the Company’s Articles of Association and offers himself for re-election.
7. To re-elect Malcolm Moss as a Director who retires in accordance of the Company’s Articles of Association and offers himself for re-election.

As **Special Business**, to consider and, if thought fit, pass the following resolutions:

Ordinary Resolution

8. That, in substitution for all existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the “Act”) to exercise all the powers of the Company to allot
 - (i) Ordinary Shares, or to grant rights to subscribe for, or to convert any securities into Ordinary Shares, up to aggregate maximum nominal amount of £481.82 (representing approximately 100% of the Ordinary Share capital in issue at today’s date); and
 - (ii) ‘A’ Shares, or to grant rights to subscribe for, or to convert any securities into ‘A’ Shares, up to a maximum nominal amount of £722.73 (representing approximately 100% of the ‘A’ Share capital in issue at today’s date);

this authority to expire at the earlier of the conclusion of the Company’s next annual general meeting, or on the expiry of 15 months following the passing of this resolution (unless previously revoked, varied or extended by the Company in a general meeting), but so that this authority shall allow the Company to make before the expiry of this authority, offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant rights pursuant to any such offers or agreements as if this authority had not expired.

Special Resolutions

9. That, conditional upon the passing of Resolution 8 set out in this Notice, in substitution for any existing authority, but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby empowered, during the period commencing on the passing of this resolution and expiring at the conclusion of the Company's next annual general meeting, or on the expiry of 15 months following the passing of this resolution, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting), to allot or make offers or agreements to allot equity securities (as defined in Section 560(1) of the Act for cash pursuant to the authority conferred by Resolution 8 above, as if Section 561(1) of the Act did not apply to any such allotment but so that this authority shall allow the Company to make offers or agreements before the expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the powers conferred hereby had not so expired.
10. That, in substitution for existing authorities, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares of 0.1p each ("Ordinary Shares") and 'A' Shares of 0.1p each ("A' Shares") in the capital of the Company provided that:
- (i) the maximum number of Ordinary Shares hereby authorised to be purchased shall not exceed 722,254 Ordinary Shares and the maximum number of 'A' Shares hereby authorised to be purchased shall not exceed 1,083,380 'A' Shares;
 - (ii) the minimum price which may be paid for an Ordinary Share and/or an 'A' Share is 0.1p, exclusive of all expenses, being the nominal amount thereof;
 - (iii) the maximum price which may be paid for an Ordinary Share and/or 'A' Share is the higher of (1) an amount, exclusive of all expenses, equal to 105% of the average of the middle market quotations for the Ordinary Shares and/or 'A' Shares as derived from the Daily Official List of the London Stock Exchange, for each of the five business days immediately preceding the day on which the Ordinary Share and/or 'A' Share is contracted to be purchased, and (2) the amount stipulated by Article 5(1) of the Buyback and Stabilisation Regulation (EC No. 2273/2003); and
 - (iv) the Company may validly make a contract to purchase Ordinary Shares and/or 'A' Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may validly make a purchase of Ordinary Shares and/or 'A' Shares in pursuance of any such contract;

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

By order of the Board

Beringea LLP

Secretary

Registered Office:

39 Earlham Street

London WC2H 9LT

27 April 2012

Information regarding the Annual General Meeting, including the information required by section 311A of the Companies Act 2006 (the "Act"), is available from www.provenvcts.co.uk.

Notes

- (a) Any member of the Company entitled to attend and vote at the Annual General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the Annual General Meeting in order to represent his appointer. A member entitled to attend and vote at the Annual General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (h) below. Under section 319A of the Act, the Company must answer any question a member asks relating to the business being dealt with at the Annual General Meeting unless:
- answering the question would interfere unduly with the preparation for the Annual General Meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.
- (b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to Beringea LLP, 39 Earlham Street, London WC2H 9LT or electronically at proxy@beringea.co.uk, in each case not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the Annual General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- (c) In order to revoke a proxy instruction a member will need to inform the Company using one of the following methods:
- by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to ProVen Planned Exit VCT plc, 39 Earlham Street, London WC2H 9LT. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 - by sending an e-mail to proxy@beringea.co.uk.
- In either case, the revocation notice must be received by ProVen Planned Exit VCT plc before the Annual General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.
- (d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the Annual General Meeting in person, the proxy appointment will automatically be terminated.

- (e) Copies of the Directors' Letters of Appointment and the Register of Directors' interests in the Ordinary Shares and 'A' Shares of the Company, will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the Annual General Meeting for at least 15 minutes prior to and during the meeting.
- (f) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 10.00 am on 28 May 2012 or, in the event that the Annual General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said Annual General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 10.00 am on 28 May 2012 or, in the event that the Annual General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting.
- (g) On 26 April 2012, the Company's issued share capital comprised 4,818,237 Ordinary Shares and 7,227,354 'A' Shares. In accordance with the Company's Articles of Association, each Ordinary Share carries one thousand votes and therefore the voting rights of the Ordinary Shares are 4,818,237,000 and each 'A' Share carries one vote and therefore the total voting rights of the 'A' Shares are 7,227,354.
- (h) If you are a person who has been nominated under section 146 of the Act to enjoy information rights ("Nominated Person"):
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Annual General Meeting;
 - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;
 - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- (i) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- (j) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.
- (k) Except as provided above, members who have general queries about the Annual General Meeting should write to the Chairman at the registered office set out above.
- (l) Members may not use any electronic address provided either in this notice of Annual General Meeting, or any related documents (including the Chairman's letter and Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.

Form of Proxy - ProVen Planned Exit VCT Plc

For use at the Annual General Meeting of the above-named Company to be held on 30 May 2012 at 39 Earlham Street, London WC2H 9LT at 9.30 am

I/We* _____ (in BLOCK CAPITALS please)

of _____

being the holder(s)* of Ordinary Shares/'A' Shares of 0.1p each in the above-named Company, hereby appoint the Chairman of the meeting (see notes 1 and 2)

or _____

of _____

as my/our* proxy to attend for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held at 39 Earlham Street, London WC2H 9LT on 30 May 2012 at 9.30 am or at any adjournment thereof.

I/We* desire to vote on the resolutions as indicated in the appropriate column below. Please indicate with an "X" how you wish your vote to be cast.

Details of the resolutions are set out in the Notice of the Annual General Meeting.

	FOR	AGAINST	WITHHELD
ORDINARY BUSINESS			
1. To receive and adopt the Directors' Report and Accounts.			
2. To approve the Directors' Remuneration Report.			
3. To approve the payment of a final dividend.			
4. To re-appoint the Auditor and authorise the Directors to determine their remuneration.			
5. To re-elect Peter Hewitt as a Director			
6. To re-elect Robin Chamberlayne as a Director			
7. To re-elect Malcolm Moss as a Director.			
SPECIAL BUSINESS			
8. To authorise the Directors to allot shares.			
9. To authorise the Directors to dis-apply pre-emption rights.			
10. To authorise the Company to make market purchases of its shares			

Signature(s)

Date

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Notes:

- Any member of the Company entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the Meeting in order to represent his appointer. A member entitled to attend and vote at the Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person.
- Delete "the Chairman of the meeting" if it is desired to appoint any other person and insert his or her name and address. If no name is inserted, the proxy will be deemed to have been given in favour of the Chairman of the meeting. If this Form of Proxy is returned without stating how the proxy shall vote on any particular matter the proxy will exercise his discretion as to whether, and if so how, he votes.
- Any alterations to the Form of Proxy should be initialled.
- To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to ProVen Planned Exit VCT plc, 39 Earlham Street, London WC2H 9LT or electronically at proxy@beringea.co.uk, in each case not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the Annual General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- In the case of a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised on that behalf.
- In the case of joint holders, the vote of the senior holder tendering a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority depends on the order in which the names stand in the register of members.
- The completion and return of this Form of Proxy will not preclude you from attending and voting at the Meeting should you subsequently decide to do so. If a member appoints a proxy and that member attends the Meeting in person, the proxy appointment will automatically be terminated.
- A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

* Delete as appropriate



